

1 GUIDO SAVERI (22349)
R. ALEXANDER SAVERI (173102)
2 LISA SAVERI (112043)
SAVERI & SAVERI, INC.
3 111 Pine Street, Suite 1700
San Francisco, California 94111-5630
4 Telephone (415) 217-6810
Facsimile (415) 217-6813

5 Attorneys for Plaintiffs
6
7
8

9 UNITED STATES DISTRICT COURT
10 FOR THE NORTHERN DISTRICT OF CALIFORNIA
11 (OAKLAND DIVISION)

12 FATEMAH AZIZIAN, *et al.*,

13 Plaintiffs,

14 v.

15 FEDERATED DEPARTMENT STORES,
16 INC.; *et al.*,

17 Defendants.
18
19

CIVIL NO. 3:03CV03359 SBA

CLASS ACTION

DECLARATION OF GUIDO
SAVERI IN SUPPORT OF
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT

Date: November 18, 2003
Time: 1:00 p.m.
Courtroom: 3, 3rd Floor
Judge: The Hon. Sandra Brown Armstrong

20 I, Guido Saveri, declare:

21 1. I am a member of the firm Saveri & Saveri, Inc. and licensed to practice before all
22 courts in the State of California. I submit this declaration in support of Plaintiffs' motion for
23 preliminary approval of the settlement with the following Defendants: Federated Department
24 Stores, Inc., The Neiman-Marcus Group, Inc., Nordstrom, Inc., The May Department Stores
25 Company, Saks Incorporated, Gottschalks, Inc., Target Corporation, and Dillard's, Inc.
26 (collectively the "Department Store Defendants"), The Estée Lauder Companies Inc., L'Oréal
27 USA, Inc., Conopco, Inc., Christian Dior Perfumes, Inc., Guerlain, Inc., Parfums Givenchy, Inc.,
28

1 Chanel, Inc., Boucheron (USA) Ltd., and Clarins U.S.A., Inc. (collectively the "Manufacturer
2 Defendants").

3 2. Attached hereto as Exhibit 1 is a true and correct copy of the Settlement
4 Agreement dated July 16, 2003.

5 **I. DESCRIPTION OF THE ACTIONS**

6 3. In 1998, Plaintiffs filed a number of class action complaints on behalf of persons
7 who purchased department store cosmetics in the State of California, defined as the full range of
8 high-end, "prestige" or specialty beauty and cosmetic products and product lines, including, but
9 not limited to, color products, treatments and fragrances which are or were manufactured,
10 distributed and/or sold by the Manufacturer Defendants or Department Store Defendants under
11 various brand names during the period from May 29, 1994 through July 16, 2003 ("Department
12 Store Cosmetic Products"). The original complaints were filed in various counties in the State of
13 California and were ultimately coordinated and assigned by the Judicial Council of the State of
14 California to Judge M. Lynn Duryee, Judge of the Superior Court in and for the County of Marin,
15 State of California. The original complaints alleged a conspiracy among the Department Store
16 Defendants to prohibit discounting of Department Store Cosmetic Products sold to consumers
17 throughout California in violation of the state antitrust and unfair competition laws. After
18 extensive discovery, Class Plaintiffs on or about May 17, 2000 filed their Amended Consolidated
19 Complaint to add the Manufacturer Defendants to the complaint and alleged a conspiracy among
20 the Department Store Defendants and the Manufacturer Defendants to discourage or prohibit
21 discounting of Department Store Cosmetic Products. Plaintiffs continued conducting extensive
22 discovery, including taking numerous depositions and inspecting hundreds of thousands of
23 documents. The parties retained the services of The Honorable Charles B. Renfrew, former
24 United States District Judge for the Northern District of California to act as a Special Master and
25 Discovery Referee to resolve the numerous and contested discovery issues that arose during the
26 lengthy proceedings. The parties also retained the services of the Honorable Daniel J. Weinstein
27 to mediate the settlement negotiations.

28 4. The original cases filed in the state courts alleged a statewide conspiracy in

1 California. As the case developed, it became apparent that the Defendants' conduct was
2 nationwide in scope and that a nationwide settlement was necessary to resolve all applicable
3 federal and state law claims and to reduce the time and expense which would otherwise result
4 from multiple litigation in federal and state fora of claims that are substantively similar to the
5 claims asserted and allegations made by Plaintiffs herein. Consequently, to obtain a nationwide
6 settlement and relief, a federal complaint, attached as Exhibit A to the Settlement Agreement,
7 was filed on July 18, 2003. The state cases have been stayed.

8 5. Defendants have denied engaging in any wrongful conduct and have vigorously
9 defended this case. Two motions for summary judgment are pending before Judge Duryee.

10 **III. SETTLEMENT NEGOTIATIONS**

11 6. After over two years of arm's-length negotiations, Plaintiffs and all Defendants
12 reached a Settlement Agreement on July 16, 2003.

13 7. The Settlement Agreement provides that Settling Defendants shall agree to entry
14 of a Stipulated Order enjoining certain future conduct, a copy of which order is attached to the
15 Settlement Agreement as Exhibit B.

16 8. The Stipulated Order provides, among other things, that the Department Store
17 Defendants are prohibited from entering into any agreement with any manufacturer to: (a) fix,
18 establish, control or maintain the resale price, including the manufacturer's suggested resale price
19 ("MSRP"), at which any Department Store Defendant may offer for sale or sell any Department
20 Store Cosmetic Products; (b) maintain, adopt or adhere to any resale price for such products; (c)
21 secure any commitment or assurance from any other Department Store Defendant concerning the
22 resale price at which that Department Store Defendant may offer for sale or sell any Department
23 Store Cosmetic Products; or (d) prohibit any Department Store Defendant from advertising any
24 Manufacturer Defendant's Department Store Cosmetic Products at a resale price less than the
25 MSRP, except any advertising done pursuant to a cooperative advertising program whereby a
26 manufacturer pays the costs, in whole or in part, of advertising by a retail store for the
27 manufacturer's Department Store Cosmetic Products ("Cooperative Advertising Program").
28

1 9. The Stipulated Order also provides that the Manufacturer Defendants are
2 prohibited from entering into any agreement with any Retail Store: (a) to fix, establish, control or
3 maintain the resale price, including any MSRP, at which any Department Store Defendant may
4 offer for sale or sell any Department Store Cosmetic Products; (b) to maintain, adopt or adhere to
5 any resale price for any Manufacturer Defendant's Department Store Cosmetic Products; (c) to
6 secure any commitment or assurance from any Department Store Defendant concerning the resale
7 price at which such Department Store Defendant may offer for sale or sell any Department Store
8 Cosmetic Products; or (d) to prohibit any Department Store Defendant from advertising any
9 Manufacturer Defendant's Department Store Cosmetic Products at a resale price less than the
10 MSRP, or to prohibit any other Department Store Defendant from advertising any Manufacturer
11 Defendant's Department Store Cosmetic Products at a resale price less than the MSRP, except
12 any advertising done pursuant to a Cooperative Advertising Program.

13 10. Each Manufacturer Defendant is also prohibited from: (a) suggesting or
14 recommending an MSRP or resale price to any Department Store Defendant in writing on any
15 price list or order form unless it clearly states the following caveat on each page of such list or
16 form: "The Retail Prices Quoted Herein Are Suggested Only. You Are Completely Free to
17 Determine Your Own Retail Prices"; (b) requiring any Department Store Defendant to report the
18 identity of any other Department Store Defendant which resells that Manufacturer Defendant's
19 Department Store Cosmetic Products below the MSRP; (c) taking objectively baseless action
20 under applicable legal precedent to hinder or preclude the lawful use by any Department Store
21 Defendant of any brand name, trade name or trademark of any Manufacturer Defendant because
22 of the sale or advertising of any Department Store Cosmetic Products at any resale price; (d)
23 conducting any surveillance program to determine whether any Department Store Defendant is
24 advertising, offering for sale or selling any Department Store Cosmetic Products at any resale
25 price, where such surveillance program is conducted to fix, maintain, control or enforce the
26 resale price at which any Department Store Cosmetic Products are sold or advertised; (e) making
27 any payment or granting any other benefit to any Department Store Defendant in consideration
28 for the Department Store Defendant's agreement to sell or advertise any Department Store

1 Cosmetic Products at MSRP, except in connection with any Cooperative Advertising program or
2 any conduct, agreement or understanding that is expressly permitted under the Stipulated Order;
3 or (f) agreeing upon the prices for new Department Store Cosmetic Products with any other
4 Manufacturer Defendant. The Stipulated Order also requires each Manufacturer Defendant to
5 distribute a letter (Exhibit A to the Stipulated Order) to all of the retailers that sell that
6 Manufacturer Defendant's Department Store Cosmetic Products advising those retailers of the
7 prohibitions contained in the Stipulated Order.

8 11. The settlement also provides that Defendants shall provide a total of One Hundred
9 and Seventy-Five Million Dollars (\$175,000,000.00) in Department Store Cosmetic Products
10 (the "Product Fund") based on the retail value of such products as they would be normally valued
11 by the Settling Defendants in the ordinary course of business, free of any cost or charge to, or
12 requirement to purchase any other product or service by, the members of the Settlement Class.
13 The Product Fund is to be distributed in accordance with procedures described in Exhibit C to
14 the Settlement Agreement.

15 12. In addition to the above benefits made available to the Settlement Class, Settling
16 Defendants agree to pay all expenses and costs incurred in providing notice to the Settlement
17 Class, as described in paragraph 9 of the Settlement Agreement, as well as all expenses incurred
18 in administering the notice and settlement process. Further, Settling Defendants will not object to
19 any application by Plaintiffs' Counsel for attorneys' fees, expenses and costs (collectively,
20 "Attorneys' Fees") incurred for work already performed in the prosecution of these actions or to
21 be performed hereafter by Plaintiffs' Counsel (as defined in the Settlement Agreement) on behalf
22 of the Settlement Class in obtaining final approval of this settlement and in upholding such
23 approval on appeal, so long as, and provided that, such request is not in excess of \$24,000,000.

24 13. Attached as Exhibits F-1 and F-2 to the Settlement Agreement are two forms of
25 proposed notices. Exhibit F-1 is a summary notice which will be published throughout the United
26 States in approximately 50 newspapers in the top 25 markets in the United States as well as in the
27 following magazines: Parade and USA Weekend (carried in approximately 900 newspapers),
28 Better Homes & Gardens, People, Reader's Digest, TV Guide, Newsweek, Cosmopolitan, In-

1 Style and Redbook. All of these publications, including the specific newspapers, are also listed
2 in Exhibit G to the Settlement Agreement. The proposed summary notice describes the lawsuit,
3 the proposed Settlement Class, the proposed settlement, the options available to each class
4 member to opt out or object to the settlement or Attorneys' Fees, and the date of the hearing on
5 final approval. In addition, Exhibit F-2 will be posted on a website established for the purpose of
6 the settlement and mailed to any class member who requests a copy. The website address will be
7 published in the summary notice, along with a toll-free telephone number that will provide
8 information to the class members about the nature of the settlement. Class members will be able
9 to provide their email and/or mailing addresses on the website or by calling the toll-free number
10 in order to register to receive an email or postcard notification of the time and places of the
11 settlement product give-away. In addition to the email or postcard notification, a supplemental
12 notice will be published in the approximately 50 newspapers following settlement approval to
13 alert class members when and where they may claim their settlement product.

14 14. Attached as Exhibit E to the Settlement Agreement is a copy of a Proposed Order
15 Conditionally Certifying Settlement Class; Granting Motion for Preliminary Approval of Class
16 Actions; and Scheduling Hearing on Final Settlement Approval.

17 15. Attached as Exhibit H to the Settlement Agreement is a proposed Final Judgment.

18 16. The settlement was consummated only after thorough, arm's-length, protracted
19 negotiations by experienced and informed counsel.

20 17. The settlement was reached after completion of substantial discovery, and in the
21 judgment of Plaintiffs' Counsel, is clearly fair and adequate and should be approved.

22 I declare under penalty of perjury that the foregoing is true and correct to the best of my
23 knowledge and belief at the present time.

24 Executed the 3 day of October, 2003 at San Francisco, California.


25
26 
27 Guido Saveri
28

EXHIBIT 1

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Agreement" or "Settlement Agreement") is made as of the 16th day of July, 2003, by and between the Plaintiffs in the coordinated actions pending in the California Superior Court, County of Marin (the "Plaintiffs"), both individually and on behalf of each and every member of the Settlement Class, and the following entities hereinafter collectively referred to as "Settling Defendants":

(a) Boucheron (USA) Ltd., Chanel, Inc., Christian Dior Perfumes, Inc., Clarins U.S.A., Inc., Conopco, Inc., The Estée Lauder Companies Inc., Guerlain, Inc., L'Oréal USA, Inc. (formerly known as Cosmair, Inc.), Parfums Givenchy, Inc. (sometimes collectively referred to herein as the "Manufacturer Defendants"); and (b) Dillard's, Inc., Federated Department Stores, Inc., Gottschalks Inc., The May Department Stores Company, The Neiman Marcus Group, Inc., Nordstrom, Inc., Saks Incorporated and Target Corporation (sometimes collectively referred to herein as the "Department Store Defendants").

WHEREAS, nine class actions were filed in various Superior Courts for the State of California between May 29, 1998 and July 2, 1998, against the defendants named therein (the "Named Defendants"), which cases were coordinated by the Judicial Council of the State of California on December 7, 1998, before The Honorable Lynn Duryee, Judge of the Superior Court for the State of California, County of Marin (the "Superior Court") and captioned "In Re Cosmetics Cases, JCCP No. 4056" (hereinafter sometimes referred to as the "Coordinated Actions"), which actions were actively litigated for over four years under the supervision of Judge Duryee; and

WHEREAS, Plaintiffs allege that Settling Defendants have acted unlawfully by, among other things, combining, conspiring or otherwise engaging in a common course of

conduct to fix, raise, maintain or stabilize prices of Department Store Cosmetic Products (as defined in Paragraph 2, below), in violation of both federal and state laws, and Plaintiffs contend that they have suffered damages, including paying more for such products than they would have paid in a competitive market; and

WHEREAS, Settling Defendants deny each and every one of Plaintiffs' allegations of unlawful conduct and have asserted a number of defenses to Plaintiffs' claims; and

WHEREAS, Plaintiffs and Settling Defendants agree that this Settlement Agreement, including its exhibits, shall not be deemed or construed to be an admission or evidence of any violation of any statute or law or of any liability or wrongdoing by any defendant or of the truth of any of the claims or allegations alleged by Plaintiffs; and

WHEREAS, the Honorable Charles B. Renfrew was appointed to act as the Discovery Referee in the Coordinated Actions, and has conducted numerous hearings and made rulings on the scope and extent of discovery; and

WHEREAS, counsel for the Plaintiffs have conducted an extensive investigation into the facts and issues raised by this action, and have reviewed and analyzed hundreds of thousands of documents, and have deposed numerous former and current employees of the Settling Defendants; and

WHEREAS, the Honorable Daniel J. Weinstein was appointed as a settlement mediator in the Coordinated Actions, whose mediation efforts contributed to this settlement; and

WHEREAS, arm's-length settlement negotiations took place between counsel for Plaintiffs and counsel for Settling Defendants; and

WHEREAS, Plaintiffs have concluded that it is in the best interests of the Settlement Class to enter into this Settlement Agreement in order to avoid the uncertainties of litigation, particularly complex litigation such as this; and

WHEREAS, Plaintiffs consider the settlement set forth herein to be fair, reasonable and adequate to all members of the Settlement Class, as defined in Paragraph 3, below; and

WHEREAS, each Settling Defendant has concluded, despite its belief that it has good defenses to the claims asserted and is not liable therefore, that it will enter into this Settlement Agreement solely to avoid the further expense, inconvenience and burden of this protracted litigation, and the distraction and diversion of its personnel and resources, and thereby to put to rest this controversy with the Plaintiffs, and to avoid the risks inherent in complex litigation; and

WHEREAS, a nationwide settlement will resolve all applicable federal and state law claims and reduce the time and expense which would otherwise result from litigation in other federal and state forums of claims that are duplicative of the claims asserted and allegations made by Plaintiffs herein, and will result in more rapid relief for the Settlement Class;

NOW THEREFORE, it is agreed by the undersigned, on behalf of the Plaintiffs and on behalf of the Settling Defendants, that this action and all claims of the Plaintiffs and members of the Settlement Class be settled, compromised and dismissed on the merits and with prejudice as to each of the Settling Defendants, and, except as hereinafter provided, without costs to Plaintiffs or Settling Defendants, on the following terms and conditions:

1. For settlement purposes only, within ten (10) days of the date hereof, Plaintiffs shall file a complaint, substantially in the form attached hereto as Exhibit A (hereinafter referred to as the "Federal Action"), in the United States District Court for the Northern District of California (hereinafter referred to as the "Federal Court"). Thereafter, the parties to this Agreement shall proceed with the settlement proposed herein before the Federal Court. During the pendency of the settlement proceedings before the Federal Court, the parties hereto shall stipulate to and seek an order from the Superior Court providing for a stay of all proceedings and tolling of the Five-Year Statute (California Code of Civil Procedure, Section 583.310). Upon this settlement becoming final in accordance with the terms of this Agreement, Plaintiffs shall dismiss the Coordinated Actions with prejudice. If, for any reason, this settlement does not become final as to one or more of the Settling Defendants, Plaintiffs, at their option, may proceed against such defendant(s) in the Federal Court or may dismiss the Federal Action without prejudice as to such defendant(s) and resume proceedings against such defendant(s) in the Superior Court.

2. As used in this Settlement Agreement, the term "Department Store Cosmetic Products" means the full range of high-end, "prestige" or specialty beauty and cosmetic products and product lines (whether established, discontinued or new), including, but not limited to, color products, treatments and fragrances which are or were manufactured, distributed and/or sold by the Manufacturer Defendants or Department Store Defendants under various brand names during the time period referenced in Paragraph 3 herein. Department Store Cosmetic Products are sold primarily through traditional department and/or specialty stores ("Retail Stores"), including such stores

owned or operated by the Department Store Defendants, who, in turn, sell such products to the Plaintiffs and members of the Settlement Class. The term "Department Store Cosmetics" excludes products and product lines sold principally through mass distribution channels.

3. For settlement purposes only, Plaintiffs and Settling Defendants agree jointly to request that the Federal Court certify the following Settlement Class for purposes of effectuating this settlement:

All persons who currently reside in the United States and who purchased Department Store Cosmetic Products in the United States, which products were manufactured, distributed and/or sold by the Manufacturer Defendants or Department Store Defendants, at any time during the period May 29, 1994 through July ____, 2003 (the "Class Period"). Excluded from this Settlement Class are all employees, officers, directors or agents (including attorneys) of any defendant, as well as any judge, justice or judicial officer presiding over this matter, and each such person's immediate family.

4. In full and complete settlement of all claims described in Paragraph 18, below, which have been, might have been, are now or could be asserted in the Coordinated Actions or in the Federal Action, Settling Defendants shall:

- (a) agree to entry of the Stipulated Order, a copy of which is attached hereto as Exhibit B; and
- (b) provide a total of One Hundred and Seventy-Five Million Dollars (\$175,000,000.00) in Department Store Cosmetic Products (the "Product Fund") based on the retail value of such products as they would be normally valued by the Settling Defendants in the ordinary course of business (including promotions), free of any charges to the members of the Settlement Class, in accordance with a plan of distribution, which is attached hereto as Exhibit C.

5. In addition to the benefits made available to the Settlement Class pursuant to Paragraph 4 above, Settling Defendants will pay all of the expenses and costs incurred

in providing notice to the Settlement Class and administering the Settlement as described in Paragraph 9 herein, as well as all expenses incurred in distributing the free product provided in Paragraph 4(b) above.

6. (a) Settling Defendants will not object to any application by plaintiffs' counsel in the Federal Action, listed on Exhibit D (hereinafter "Plaintiffs' Counsel"), for attorneys' fees, expenses and costs (collectively, "Attorneys' Fees") incurred for work already performed in the prosecution of the Coordinated Actions and/or to be performed hereafter by Plaintiffs' Counsel in the Federal Action on behalf of the Settlement Class in obtaining final approval of this Settlement and in upholding such approval (including any and all appeals), so long as, and provided that, such request is not in excess of \$24,000,000. Plaintiffs' Counsel may apply for an award of Attorneys' Fees not to exceed in the aggregate \$24,000,000 at the same time as Plaintiffs' Counsel applies for an order pursuant to Paragraph 14 herein finally approving the settlement. Settling Defendants agree to pay Attorneys' Fees as awarded by the Court to the extent such award does not exceed \$24,000,000 (the "Fee Award") within ten (10) business days after the date of the Order by the Court approving any Fee Award. Such monies shall be deposited in an interest-bearing trust account(s) (the "Trust Account") at such bank(s) as is consistent with proper security with Guido Saveri, William Bernstein, Josef D. Cooper, Joseph M. Alioto and Francis O. Scarpulla serving as co-escrow agents. Any interest earned on such monies shall become and remain a part of the amount deposited. Except as expressly provided for in this Agreement, Settling Defendants shall have no obligation or responsibility with respect to the allocation, administration or distribution of the monies in the Trust Account(s). Settling Defendants shall bear no risk related to the investment of the funds in the Trust Account(s).
- (b) Under no circumstances shall Settling Defendants have any obligation to pay more than \$24,000,000 for Attorneys' Fees of any and all members of the Settlement Class or their Counsel, experts or advisors.
- (c) The monies in the Trust Account(s) shall be dispensed only pursuant to and consistent with the Court order awarding Attorneys' Fees, except that any award of Attorneys' Fees shall be paid from the Trust Account(s) only upon this settlement becoming Final pursuant to Paragraph 15 herein.

- (d) Except as provided in Paragraph 6(b) herein, the procedure for and the allowance or disallowance by the Court of any Attorneys' Fees are not part of the settlement set forth in this Settlement Agreement and are to be considered by the Court separately from the Court's consideration of the fairness, reasonableness and adequacy of the settlement set forth in the Settlement Agreement, and any order or proceedings relating to the payment of any Attorneys' Fees, or any fee and/or expense application, or any appeal from any order relating thereto, or a reversal or modification thereof shall not operate to terminate or cancel the Settlement Agreement or affect or delay the finality of the judgment approving the Settlement Agreement and the settlement of the Federal Action set forth herein.

7. Counsel for the undersigned agree to recommend approval of this settlement to the Federal Court and to undertake their best efforts, including all steps and efforts contemplated by this Agreement and any other steps and efforts that may be necessary or appropriate, by order of the Federal Court or otherwise, to carry out the terms of this settlement.

- 8. (a) Within ten (10) business days after the filing of the Federal Action, Plaintiffs shall submit to the Federal Court a motion pursuant to Rule 23, Federal Rules of Civil Procedure:
 - (i) for certification, for settlement purposes only, of the Settlement Class as defined in Paragraph 3, above;
 - (ii) for preliminary approval of the contemplated settlement;
 - (iii) to schedule a hearing for final approval of the proposed settlement; and
 - (iv) to stay all proceedings in the Federal Action against the Settling Defendants until the Federal Court has ruled on final approval of the settlement and entered a final judgment.
- (b) The motion shall include:
 - (i) a copy of this Settlement Agreement;

- (ii) a copy of the proposed form of order, substantially in the form attached hereto as Exhibit E, conditionally certifying the Settlement Class and preliminarily approving the settlement ("Preliminary Approval Order");
 - (iii) a copy of the proposed Summary Notice of the settlement to members of the Settlement Class, substantially in the form attached hereto as Exhibit F-1, which shall be disseminated through publication in the publications listed in Exhibit G, attached hereto;
 - (iv) a copy of the proposed Notice of the settlement to members of the Settlement Class, substantially in the form attached hereto as Exhibit F-2, to be posted on a website and mailed to any class member who so requests; and
 - (v) a copy of the proposed form of order and final judgment, substantially in the form attached hereto as Exhibit H.
- (c) Plaintiffs shall notice for hearing a motion for preliminary approval pursuant to the Federal Court's Local Rules.

9. Notice of this settlement shall be given to members of the Settlement Class within thirty (30) days of the Federal Court's order preliminarily approving the Settlement, or as soon thereafter as practicable. There shall be two forms of notice: a Summary Notice, substantially in the form attached hereto as Exhibit F-1, and a Notice, substantially in the form attached hereto as Exhibit F-2. The Summary Notice shall be published in each of the publications listed on Exhibit G. The Notice shall be posted on a website established for purposes of this Settlement and mailed to any Settlement Class member who requests a copy. The website address shall be published in the Summary Notice, along with a toll-free telephone number that will provide information to the Class Members about the nature of the settlement. The Settling Defendants shall be responsible for all costs and expenses of providing notice to the Settlement Class and administering the Settlement pursuant to the terms of this paragraph.

- (ii) a copy of the proposed form of order, substantially in the form attached hereto as Exhibit E, conditionally certifying the Settlement Class and preliminarily approving the settlement ("Preliminary Approval Order");
 - (iii) a copy of the proposed Summary Notice of the settlement to members of the Settlement Class, substantially in the form attached hereto as Exhibit F-1, which shall be disseminated through publication in the publications listed in Exhibit G, attached hereto;
 - (iv) a copy of the proposed Notice of the settlement to members of the Settlement Class, substantially in the form attached hereto as Exhibit F-2, to be posted on a website and mailed to any class member who so requests; and
 - (v) a copy of the proposed form of order and final judgment, substantially in the form attached hereto as Exhibit H.
- (c) Plaintiffs shall notice for hearing a motion for preliminary approval pursuant to the Federal Court's Local Rules.

9. Notice of this settlement shall be given to members of the Settlement Class within thirty (30) days of the Federal Court's order preliminarily approving the Settlement, or as soon thereafter as practicable. There shall be two forms of notice: a Summary Notice, substantially in the form attached hereto as Exhibit F-1, and a Notice, substantially in the form attached hereto as Exhibit F-2. The Summary Notice shall be published in each of the publications listed on Exhibit G. The Notice shall be posted on a website established for purposes of this Settlement and mailed to any Settlement Class member who requests a copy. The website address shall be published in the Summary Notice, along with a toll-free telephone number that will provide information to the Class Members about the nature of the settlement. The Settling Defendants shall be responsible for all costs and expenses of providing notice to the Settlement Class and administering the Settlement pursuant to the terms of this paragraph.

10. (a) Any member of the Settlement Class shall have the right to opt out of the Settlement Class and thereby exclude herself or himself from this settlement pursuant to the procedure set forth in Paragraph 12, below, and in the Preliminary Approval Order. Within ten (10) days after the last date by which members of the Settlement Class must provide notification of their election to exclude themselves from the Settlement Class, Plaintiffs' Counsel shall serve on counsel for the Settling Defendants a list of all members of the Settlement Class who have excluded themselves from the Settlement Class.
- (b) In the event that any Settling Defendant concludes in good faith that the number of class members who have requested exclusion from the Settlement Class is "substantial," then that Settling Defendant shall have the right, exercisable in its sole and absolute discretion, to withdraw from this settlement by filing with the Federal Court and serving on Plaintiffs' Counsel written notice of withdrawal within ten (10) days after receipt of the list of those Settlement Class members excluding themselves from the class. With respect to each Settling Defendant who timely withdraws, this Agreement shall be terminated, cancelled, null and void and all consideration described in Paragraphs 4 and 6, above, to be provided by Settling Defendants pursuant to this Agreement shall be reduced in proportion to the amount(s) that would have been contributed by such withdrawing Defendant(s), and the parties shall meet and confer in good faith to calculate such amounts based on information provided by the Settling Defendants. If all Settling Defendants timely withdraw, this Settlement Agreement shall be terminated, cancelled, null and void as to all parties. Any Settling Defendant who elects to withdraw from this Agreement will not be reimbursed for any funds advanced to pay the costs of notice and/or communicating with Class members. In addition, any Defendant who withdraws from the settlement pursuant to this Paragraph shall not be bound by the Stipulated Order (Exhibit B) or any court-ordered Consent Decree. Plaintiffs shall be free to pursue this action against such withdrawing Defendant(s) forthwith.
- (c) In the event that Plaintiffs conclude in good faith that the withdrawal of any Settling Defendant will "materially reduce" the consideration to be received by the Settlement Class members under Paragraph 4(b) herein, then Plaintiffs shall have the right, exercisable in their sole and absolute discretion, to withdraw from this Settlement by filing with the Federal Court and serving on Settling Defendants' counsel written notice of withdrawal within

four (4) days after receipt of any Settling Defendant's withdrawal. If the Plaintiffs elect to withdraw from this Agreement, no defendant will be reimbursed for any funds advanced pursuant to Paragraph 5.

- (d) For purposes of Paragraph 10(b), the term "substantial" shall be interpreted so that no Settling Defendant may withdraw from this Settlement unless at least 7,500 class members have requested exclusion from the Settlement Class. For purposes of Paragraph 10(c), the term "materially reduce" shall be interpreted so that Plaintiffs may not withdraw from this settlement unless the amount of retail value consideration to be received by the Settlement Class members under Paragraph 4(b) herein is reduced by more than thirty percent (30%).
- (e) In the event that any Settling Defendant who does not withdraw under the terms of Paragraph 10(b) fails to pay its proportionate share of the consideration described in Paragraphs 4 and 6 herein ("Proportionate Share"), then Plaintiffs retain the right to sue such defendant for breach of this Agreement and seek damages for such defendant's failure to pay. Under such circumstances, the non-withdrawing Settling Defendants shall provide Plaintiffs with information sufficient to calculate any withdrawing Settling Defendant's Proportionate Share. By way of example, if a Settling Defendant with a Proportionate Share of 10% fails to pay that Proportionate Share, the Product Fund described in Paragraph 4 will be reduced to \$157,500,000, and the Attorneys' Fees and/or fee award described in Paragraph 6 will be reduced to an amount not in excess of \$21,600,000. In the event that any Settling Defendant withdraws or fails to pay under Paragraphs 10(b) or (e), Plaintiffs may not seek to recover from any other Settling Defendant the withdrawing Settling Defendant's Proportionate Share.

11. Within thirty (30) days after the last date by which Settlement Class members may exclude themselves from the settlement, Plaintiffs' Counsel shall file a Memorandum of Points and Authorities requesting final approval by the Court of the settlement, including a determination by the Court: (i) that the settlement set forth in this Settlement Agreement shall be approved finally as fair, reasonable and adequate; (ii) that Plaintiffs' Counsel have adequately represented the interests of the Settlement Class; (iii)

that the Plaintiff Settlement Class, excluding those persons who exercise their right to opt out of participation in the Settlement, shall be certified; (iv) that the Judgment approving the settlement substantially in the form of Exhibit H, should be entered; and (v) that an award of Attorneys' Fees and expenses should be made to counsel for the Plaintiffs.

12. Any person, acting solely on his or her own behalf, may seek to be excluded from the Settlement Class and the Settlement provided for by this Agreement by submitting a written request for exclusion. Any request for exclusion must be mailed to the Cosmetics Antitrust Litigation Settlement Administrator, post-marked no later than thirty-five (35) days after the deadline for publishing the Notice. Any Settlement Class member so excluded shall not be bound by the terms of the Agreement, nor entitled to any of its benefits, and will not be bound by any final judgment or other order of the Court entered herein, whether pursuant to this Agreement or otherwise.

13. Any member of the Settlement Class who has not timely requested exclusion may appear at the final approval hearing and show cause why the Court should not approve this settlement and dismiss the Federal Action with prejudice as to the Settling Defendants, and may appear at the hearing to support or oppose Plaintiffs' Counsel's application for Attorneys' Fees and expenses. For a member of the Settlement Class to have any objections considered, the Settlement Class member must file any objections and all papers in support of such objections with the Cosmetics Antitrust Litigation Settlement Administrator no later than thirty-five (35) days after the deadline for publishing the Notice. All such written objections and papers shall be sent by first-class mail, postage prepaid, to the Cosmetics Antitrust Litigation Settlement Administrator. The objection shall include: (1) the Settlement Class member's complete

name and residence or business address (giving the address of any lawyer who represents the Settlement Class member is not sufficient); (2) a statement that the Settlement Class member purchased Department Store Cosmetic Products during the period May 29, 1994 through July ___, 2003; and (3) each ground for comment or objection and any supporting papers the Settlement Class member desires the Court to consider (*i.e.*, a mere statement that "I object" shall not be deemed to be sufficient). The Cosmetics Antitrust Litigation Settlement Administrator shall provide copies of any objections received to designated counsel for the Plaintiffs and for the Settling Defendants within three (3) days of receipt of such objections by the Cosmetics Antitrust Litigation Settlement Administrator. The filing of any objection shall not extend the time within which a Settlement Class member may file a request for exclusion from the settlement.

14. If the Federal Court finally approves this settlement, then the parties hereto shall seek entry of an order and judgment substantially in the form attached hereto as Exhibit H:

- (a) Determining that the Settling Defendants and the Plaintiffs and members of the Settlement Class have submitted to the jurisdiction of the Federal Court for purposes of the proposed settlement, and that the Federal Court has subject matter jurisdiction to approve the Settlement Agreement;
- (b) Finding that the proposed Settlement Class satisfies the requirements for a class action under Rule 23 of the Federal Rules of Civil Procedure, taking into account as permitted under applicable precedent the fact that the class is being certified for settlement purposes only;
- (c) Finding that the notice given pursuant to this Settlement Agreement: (i) constitutes the best practicable notice under the circumstances; (ii) constitutes due, adequate and sufficient notice to all persons entitled to receive notice; and (iii) meets the

requirements of due process, the Federal Rules of Civil Procedure and any other applicable rules of the Federal Court;

- (d) Approving finally this settlement and its terms as being in good faith and a fair, reasonable and adequate settlement as to Plaintiffs and the members of the Settlement Class, and directing the settlement's consummation pursuant to its terms;
- (e) Dismissing the Federal Action with prejudice as to each Settling Defendant, without Attorneys' Fees and costs, except as provided for herein;
- (f) Providing that the Federal Court shall retain jurisdiction for a period of three (3) years to enforce the Stipulated Order;
- (g) Determining that there is no just reason for delay and ordering that the judgment of dismissal of the Federal Action shall be final and appealable;
- (h) Incorporating the release set forth below (in Paragraphs 18 and 19 of this Settlement Agreement), and forever discharging the Settling Defendants from any claims or liabilities relating to the Federal Action; and
- (i) Reserving exclusive jurisdiction over the settlement and this Agreement, including the administration and consummation of this settlement.

15. This settlement shall become final upon the occurrence of the following

events:

- (a) The entry, as provided in Paragraph 14, of the order and final judgment (substantially in the form attached hereto as Exhibit H) of dismissal with prejudice as to the Settling Defendants against all Plaintiffs and members of the Settlement Class who have not timely excluded themselves from the Federal Action; and
- (b) The expiration of the time for appeal (including a petition for *certiorari*), or to seek permission to appeal from the Federal Court's entry of the final judgment, or, if appealed, the final judgment has been affirmed in its entirety by the Federal Court of last resort to which such appeal has been taken and such affirmance has become no longer subject to further appeal or review.

In the event that the Federal Court refuses to approve this settlement, or any material part hereof, or the final judgment described in Paragraph 14 is not entered, or the Federal Court's approval of this settlement or such final judgment is set aside, in whole or in material part, on appeal, this Agreement in its entirety (except for Paragraph 21 herein) shall become null and void unless and only insofar as the parties hereto agree otherwise in writing. An appeal solely from the judgment approving an award of Attorneys' Fees and costs and the payment thereof to Plaintiffs' Counsel shall not affect the finality of the approval of this settlement. A modification or reversal on appeal of any amount of Plaintiffs' Counsel's Attorneys Fees awarded by the Federal Court shall not be deemed a modification of all or a part of the terms of the final judgment, except that, as stated in Paragraph 6 herein, Settling Defendants shall, under no circumstances, be obligated to pay more than \$24,000,000 in Attorneys' Fees. Within ten (10) business days of this settlement becoming final in the Federal Court, Plaintiffs shall dismiss the Coordinated Actions with prejudice.

16. Attorneys' Fees and "incentive awards" (if any) to the Plaintiffs shall be paid solely from the Court's Fee Award (as defined in Paragraph 6(a) herein). Settling Defendants shall not be liable for any "incentive awards" to the Plaintiffs, or for any costs, fees or expenses of any of Plaintiffs' respective attorneys, experts, consultants, advisors, agents or representatives, and all such costs, fees and expenses as approved by the Federal Court shall be paid by Plaintiffs from the Court's Fee Award. Other than the costs of notice, distribution and administration (provided for in Paragraphs 5 and 9, above), the Settling Defendants shall be under no obligation to contribute anything in excess of One Hundred Seventy Five Million Dollars (\$175,000,000.00) in Department

Store Cosmetic Products (the "Product Fund") (as described in Paragraph 4(b) herein) and the Federal Court's Fee Award (as described in Paragraph 6 herein).

17. The consideration provided to the members of the Settlement Class pursuant to this Agreement is in full, complete and final settlement of the Coordinated Actions and the Federal Action, and shall be the Settling Defendants' sole obligation to support the full and complete settlement and satisfaction of all claims against the Settling Defendants as defined in Paragraphs 18 and 19, below.

18. In addition to the effect of any final judgment entered in accordance with this Agreement, upon this settlement becoming final, Settling Defendants and their present and former parents, subsidiaries, divisions, affiliates, officers, directors, employees, agents and any of their legal representatives (and the present and former parents, subsidiaries, divisions, affiliates, officers, directors, employees, agents and legal representatives, and the predecessors, heirs, executors, administrators, successors and assigns of each of the foregoing) shall be released and forever discharged from all manner of claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, damages whenever incurred, liabilities of any nature whatsoever, including costs, expenses, penalties and attorneys' fees, known or unknown, suspected or unsuspected, in law or equity, that any member of the Settlement Class who has not timely excluded herself/himself from this action (including any of their past, present or future agents, legal representatives, trustees, estates, heirs, executors and administrators), and whether or not they object to the settlement, ever had, now has, or hereafter can, shall or may have, arising out of conduct during the Class Period by any Settling Defendant concerning the pricing, marketing, distribution, promotion, advertising or sale of

Department Store Cosmetic Products, and which arise under any federal or state antitrust, unfair competition, unfair practices, price discrimination, unitary pricing or trade practice law, or other similar law or regulation or common law, including, without limitation, the Sherman Antitrust Act, 15 U.S.C. § 1, *et seq.*, the Cartwright Act, Cal. Bus. & Prof. Code § 16720, *et seq.*, the Unfair Practices Act, Cal. Bus. & Prof. Code § 17000, *et seq.* and the Unfair Competition Act, Cal. Bus. & Prof. Code § 17200, *et seq.*, as well as any other federal or state law, statute or regulation concerning any of the aforementioned subjects. Nothing in this Agreement is intended to release any other claim(s) that a Plaintiff or member of the Settlement Class may have against one or more of the Settling Defendants; for example, a personal injury or a product defect claim is not released. Nothing in this Agreement is intended to release any claim(s) that any member of the Settlement Class may have against any other manufacturer or retailer of Department Store Cosmetic Products other than the Settling Defendants. Each member of the Settlement Class (including his or her past, present or future agents, legal representatives, trustees, parents, estates, heirs, executors and administrators) hereby covenants and agrees that she or he shall not hereafter assert any claim, demand, action, suit or cause of action, whether class or individual, against any Settling Defendant based, in whole or in part, upon any released claim.

19. Plaintiffs and Settlement Class members who do not exclude themselves from this litigation expressly waive the provisions of Section 1542 of the California Civil Code (and all other like provisions of law) to the full extent that these provisions may be applicable to this release. California Civil Code, Section 1542, provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Each member of the Settlement Class may hereafter discover facts other than or different from those which he or she knows or believes to be true with respect to the claims being released pursuant to the provisions of Paragraph 18. Nevertheless, each member of the Settlement Class hereby expressly waives and fully, finally and forever settles and releases, upon this settlement becoming final, any known or unknown, suspected or unsuspected, contingent or noncontingent claim in any way relating to the subject matter of the claims being released pursuant to the provisions of Paragraph 18, whether or not concealed or hidden, without regard to the subsequent discovery or existence of such different or additional facts.

20. In the event that this settlement does not become final as contemplated by Paragraph 15, above, or any Settling Defendant withdraws pursuant to Paragraph 10(b), above, the monies contained in the Trust Account(s), including any and all income earned thereon, less any taxes and/or expenses and costs incurred in connection with said account(s), shall be returned to each Settling Defendant with respect to whom this settlement is terminated, on the same ratable basis as such funds were contributed to the Trust Account(s) by such Settling Defendant. Any release or covenant not to sue pursuant to Paragraphs 18 or 19, above, shall be of no force or effect with respect to such withdrawing Settling Defendant. Such withdrawing Settling Defendant shall not be required to contribute its Proportionate Share to the Product Fund or to sign (or be bound by the terms of) the Stipulated Order.

21. In the event that this settlement does not become final as to one or more of the Settling Defendants in accordance with the terms hereof, then this Agreement shall be of no force or effect as to such Defendant(s), except that the parties hereto agree that this Agreement, including its exhibits, and any and all negotiations, drafts of settlement documents and discussions associated with it, shall be without prejudice to the rights of any party, shall be inadmissible in evidence against any party, and further shall not be *deemed or construed to be an admission or evidence of any violation of any statute or law* or of any liability or wrongdoing by any Settling Defendant, or of the truth of any of the claims or allegations contained in any complaint or any other pleading filed in the Coordinated Actions or the Federal Action, and evidence thereof shall not be discoverable or used directly or indirectly in any way, whether in the Coordinated Actions or the Federal Action or in any other action or proceeding. Both the Plaintiffs and each Settling Defendant expressly reserve all of their rights and preserve all *applicable defenses (including but not limited to lack of personal jurisdiction and improper venue)* if this settlement does not become final in accordance with the terms of this Agreement. In the event this settlement is terminated with respect to any Settling Defendant, the Settlement Agreement and all matters leading up to or related to the settlement are confidential settlement communications inadmissible under Federal Rules of Evidence, Rule 408, or California Code of Evidence, Section 1152(a), and any and all other applicable federal and state laws. The provisions of this Paragraph shall survive and continue to apply to each Settling Defendant and Plaintiff, even if the Federal Court does not approve the Settlement, or the Federal Court's approval of this settlement is set aside on appeal, or any Settling Defendant withdraws from the Agreement pursuant to

Paragraph 10 herein. Notwithstanding the foregoing, this Agreement may be used or admitted into evidence against any party as to whom this Agreement is being enforced.

22. In the event that Plaintiffs or any Settlement Class member who has not excluded herself or himself from the settlement sues any person or entity who is not a named Defendant in these proceedings, based on conduct encompassed within the release set forth in Paragraphs 18 and 19 herein, Plaintiffs will not seek any damages from that person or entity based on any Settling Defendant's sales of Department Store Cosmetic Products during the Class Period, even if that person or entity received revenues from sales of the same products.

23. In the event that one or more of the Named Defendants in the Coordinated Actions is not a Settling Defendant or otherwise legally bound by this Settlement Agreement upon its execution, or if one or more of the Defendants (following the execution of this Agreement) withdraws from this Agreement under Paragraph 10 herein, then Plaintiffs may, in connection with any further litigation in the Coordinated Actions or Federal Action, seek discovery against any remaining Settling Defendant as a non-party pursuant to Federal Rule of Civil Procedure 45, or other applicable rule concerning non-party discovery, provided however that Plaintiffs may serve such discovery on Settling Defendants' counsel of record or substitute counsel in the Federal Action.

24. This Settlement Agreement shall be binding upon and inure to the benefit of the successors of the parties hereto. Without limiting the generality of the foregoing, each and every covenant and agreement herein by the Plaintiffs and their counsel shall be binding upon all members of the Settlement Class.

25. This Agreement contains the entire, complete and integrated statement of each and every term and provision agreed to by and among the parties, and is not subject to any condition not provided for herein. This Agreement shall not be modified in any respect except by a writing executed by all the signatories hereto.

26. Any inconsistency between this Agreement and the exhibits attached hereto shall be resolved in favor of the Settlement Agreement.

27. None of the parties hereto shall be considered to be the drafter of this Settlement Agreement or any provision hereof for the purpose of any statute, case law or rule of interpretation or construction that would or might cause any provision to be construed against the drafter thereof.

28. All terms of this Agreement and the exhibits hereto shall be governed by and interpreted according to the substantive laws of the State of California without regard to its choice of law or conflict of laws principles.

29. Settling Defendants and each member of the Settlement Class hereby irrevocably submit to and agree not to contest the exclusive jurisdiction of the Federal Court and agree that the Northern District of California is a proper venue and convenient forum, for purposes of any suit, action, proceeding or dispute arising out of or relating to this Settlement Agreement and/or the exhibits hereto. Without limiting the generality of the foregoing, it is hereby agreed that any dispute concerning the provisions of Paragraphs 18 and/or 19 (including, but not limited to, any suit, action or proceeding by a plaintiff in which the provisions of Paragraphs 18 and/or 19 are asserted as a defense, in whole or in part, to any claim or cause of action or otherwise raised as an objection) constitutes a suit, action or proceeding arising out of or relating to this Settlement

Agreement and exhibits hereto. In the event the provisions of Paragraphs 18 and/or 19 are asserted by any Settling Defendant as a defense, in whole or in part, to any claim or cause of action or otherwise raised as an objection in any suit, action or proceeding by a Plaintiff who is a member of the Settlement Class, it is hereby agreed that the Settling Defendant who is a party to such suit, action or proceeding shall be entitled to a stay of that suit, action or proceeding until the Federal Court has entered a final judgment no longer subject to any appeal or review determining any issues relating to the defense or objection based on such provisions.

30. This Settlement Agreement may be executed in counterparts. Facsimile signatures shall be considered as valid signatures as of the date hereof, although the original signature pages shall thereafter be appended to this Settlement Agreement.

31. This Settlement Agreement shall become effective, upon its execution by the undersigned, as of July __, 2003.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have caused this Agreement to be executed by their officers or representatives hereunto duly authorized, effective as of the date first above mentioned. In so doing, the Parties expressly agree to and intend to be legally bound by this Agreement.

FOR PLAINTIFFS:

SAVERI & SAVERI, INC.

By: 

Guido Saveri, Esq.
Chair, Committee of Plaintiffs' Counsel
111 Pine Street, Suite 1700
San Francisco, CA 94111

LIEFF, CABRASER, HEIMANN
& BERNSTEIN, LLP

By: _____

William Bernstein, Esq.
Liaison Counsel for the Plaintiffs
Embarcadero Center West
275 Battery Street, 30th Floor
San Francisco, CA 94111

LAW OFFICES OF FRANCIS O. SCARPULLA

By: 

Francis O. Scarpulla, Esq.
275 Battery Street, 28th Floor
San Francisco, CA 94111

COOPER & KIRKHAM, P.C.

By: 

Josel D. Cooper, Esq.
655 Montgomery Street, 17th Floor
San Francisco, CA 94111

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have caused this Agreement to be executed by their officers or representatives hereunto duly authorized, effective as of the date first above mentioned. In so doing, the Parties expressly agree to and intend to be legally bound by this Agreement.

FOR PLAINTIFFS:

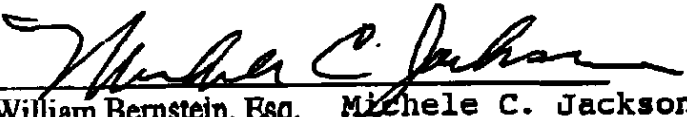
SAVERI & SAVERI, INC.

By: _____

Guido Saveri, Esq.
Chair, Committee of Plaintiffs' Counsel
111 Pine Street, Suite 1700
San Francisco, CA 94111

LIEFF, CABRASER, HEIMANN
& BERNSTEIN, LLP

By: _____


William Bernstein, Esq. Michele C. Jackson, Esq.
Liaison Counsel for the Plaintiffs
Embarcadero Center West
275 Battery Street, 30th Floor
San Francisco, CA 94111

LAW OFFICES OF FRANCIS O. SCARPULLA

By: _____

Francis O. Scarpulla, Esq.
275 Battery Street, 28th Floor
San Francisco, CA 94111

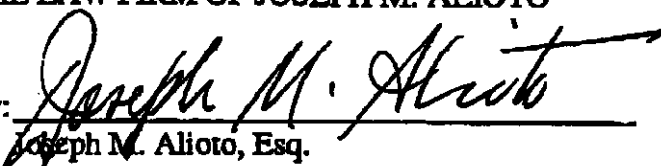
COOPER & KIRKHAM, P.C.

By: _____

Josef D. Cooper, Esq.
655 Montgomery Street, 17th Floor
San Francisco, CA 94111

THE LAW FIRM OF JOSEPH M. ALIOTO

By:

A handwritten signature in black ink, reading "Joseph M. Alioto", is written over a horizontal line.

Joseph M. Alioto, Esq.

555 California Street, 31st Floor
San Francisco, CA 94104

FOR THE DEFENDANTS:

Boucheron (USA) Ltd.:

Date:

July 15th 2003

By:

ALAIN DENULT

Sgt x CEO



Chanel, Inc.:

Date:

By:

Christian Dior Perfumes, Inc.:

Date:

By:

Clarins U.S.A., Inc.:

Date:

By:

Conopco, Inc.:

Date:

By:

FOR THE DEFENDANTS:

Boucheron (USA) Ltd.: Date: _____

By: _____

Chanel, Inc.:

Date: July 15, 2003

By:

Jean-Hoch Zimmernan

Jean-Hoch Zimmernan
Executive Vice President - Marketing & Sales

Christian Dior Perfumes, Inc.:

Date: _____

By: _____

Clarins U.S.A., Inc.:

Date: _____

By: _____

Conopco, Inc.:

Date: _____

By: _____

FOR THE DEFENDANTS:

Boucheron (USA) Ltd.: Date: _____

By: _____

Chanel, Inc.: Date: _____

By: _____

Christian Dior Perfumes, Inc.: Date: 7/15/03

By: [Signature]

Bingham McCutchen LLP

Clairs U.S.A., Inc.: Date: _____

By: _____

Conopco, Inc.: Date: _____

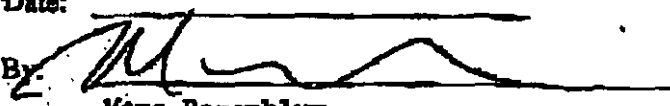
By: _____

FOR THE DEFENDANTS:

Boucheron (USA) Ltd.: Date: _____
By: _____

Chanel, Inc.: Date: _____
By: _____

Christian Dior Perfumes, Inc.: Date: _____
By: _____

Clarins U.S.A., Inc.: Date: July 14, 2003
By: 
Marc Rosenblum
Vice President, Finance & Operations

Conopco, Inc.: Date: _____
By: _____

FOR THE DEFENDANTS:

Boucheron (USA) Ltd.: Date: _____

By: _____

Chanel, Inc.: Date: _____

By: _____

Christian Dior Perfumes, Inc.: Date: _____

By: _____

Clarins U.S.A., Inc.: Date: _____

By: _____

Conopco, Inc.: Date: JULY 14, 2003

By: Sunil Mehta

SUNIL MEHTA

The Estée Lauder Companies Inc.:

Date:

July 16, 2003

By:

Fred W. Ye
Kaye Scholer LLP

Guerlain, Inc.:

Date:

By:

L'Oréal USA, Inc.: (formerly known as
Cosmair, Inc.)

Date:

By:

Parfums Givenchy, Inc.:

Date:

By:

Dillard's, Inc.:

Date:

By:

Federated Department Stores, Inc.:

Date:

By:

The Estée Lauder Companies Inc.: Date: _____

By: _____

Guerlain, Inc.: Date: 7/15/03

By: [Signature]

Bingham McCutchen LLP

L'Oréal USA, Inc.: (formerly known as
Cosmair, Inc.) Date: _____

By: _____

Parfums Givenchy, Inc.: Date: 7/15/03

By: [Signature]

Bingham McCutchen LLP

Dillard's, Inc.: Date: _____

By: _____

Federated Department Stores, Inc.: Date: _____

By: _____

The Estée Lauder Companies Inc.:

Date: _____

By: _____

Guerlain, Inc.:

Date: _____

By: _____

L'Oréal USA, Inc.: (formerly known as
Cosmar, Inc.)

Date: July 14, 2003

By: 

Parfums Givenchy, Inc.:

Date: _____

By: _____

Dillard's, Inc.:

Date: _____

By: _____

Federated Department Stores, Inc.:

Date: _____

By: _____

Jul-16-2003 12:37pm From-COOLEY GODWARD LLP

+10

T-742 P.003/003 F-006

The Estée Lauder Companies Inc.:

Date: _____

By: _____

Guerlain, Inc.:

Date: _____

By: _____

L'Oréal USA, Inc.: (formerly known as
Cosmair, Inc.)

Date: _____

By: _____

Parfums Givenchy, Inc.:

Date: _____

By: _____

Dillard's, Inc.:

Date: July 16, 2003

By: _____

Paul J. Schroeder, Jr.
Vice President and General Counsel

Macy's Department Stores, Inc.:

Date: _____

By: _____

JAC:3/1/00C

25

Received Jul-18-03 12:24pm

From-

To-COOLEY GODWARD LLP

Page 03

The Estée Lauder Companies Inc.:

Date: _____

By: _____

Guerlain, Inc.:

Date: _____

By: _____

L'Oréal USA, Inc.: (formerly known as
Cosmar, Inc.)

Date: _____

By: _____

Parfums Givenchy, Inc.:

Date: _____

By: _____

Dillard's, Inc.:

Date: _____

By: _____

Federated Department Stores, Inc.:

Date: July 15, 2003

By: P.A. Proger

Legal Counsel

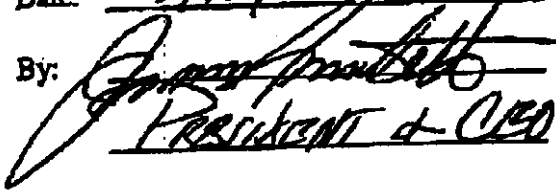
Jul.15. 2003 1:55PM Gottschalks Inc.

Gottschalks Inc.:

Date:

7/15/02

By:


PRESIDENT & CEO

The May Department Stores Company:

Date:

By:

The Neiman Marcus Group, Inc.:

Date:

By:

Nordstrom, Inc.:

Date:

By:

Saks Incorporated:

Date:

By:

Target Corporation:

Date:

By:

Gottschalks Inc.: Date: _____

By: _____

The May Department Stores Company:

Date: July 15, 2003

By: Alan Chack

Senior Vice President
and General Counsel

The Neiman Marcus Group, Inc.:

Date: _____

By: _____

Nordstrom, Inc.:

Date: _____

By: _____

Saks Incorporated:

Date: _____

By: _____

Target Corporation:

Date: _____

By: _____

Gottschalks Inc.: Date: _____

By: _____

The May Department Stores Company: Date: _____

By: _____

The Neiman Marcus Group, Inc.:

Date: 7-15-03

By: [Signature]
NELSON A. BANGS

Nordstrom, Inc.: Date: _____

By: _____

Saks Incorporated: Date: _____

By: _____

Target Corporation: Date: _____

By: _____

07/15/03 16:51 FAX

Gottschalks Inc.: Date: _____
By: _____

The May Department Stores Company: Date: _____
By: _____

The Neiman Marcus Group, Inc.: Date: _____
By: _____

Nordstrom, Inc.: Date: 7/15/03
By: Dale Cameron via
Executive Vice President Cosmetics

Saks Incorporated: Date: _____
By: _____

Target Corporation: Date: _____
By: _____

Jul-16-2003 08:55pm From-SHEA GARDNER

2027753074

I-000 P-000/000 I 100

Jul-14-2003 08:40pm From-SHEA GARDNER

2027753074

T-505 P 003/004 F-774

Gorschals Inc.:

Date: _____

By: _____

The May Department Stores Company:

Date: _____

By: _____

The Neiman Marcus Group, Inc.:

Date: _____

By: _____

Nordstrom, Inc.:

Date: _____

By: _____

Saks Incorporated:

Date: July 15, 2003By: [Signature]
Brian Martin

Target Corporation:

Date: _____

By: _____

Gottschalks Inc.: Date: _____

By: _____

The May Department Stores Company: Date: _____

By: _____

The Neiman Marcus Group, Inc.: Date: _____

By: _____

Nordstrom, Inc.: Date: _____

By: _____

Saks Incorporated: Date: _____

By: _____

Target Corporation: Date: 7-15-03

By: Chris Henry

1 GUIDO SAVERI (22349)
R. ALEXANDER SAVERI (173102)
2 LISA SAVERI (112043)
SAVERI & SAVERI, INC.
3 111 Pine Street, Suite 1700
San Francisco, California 94111-5619
4 Telephone (415) 217-6810
Facsimile (415) 217-6813

5 Chair, Committee of Plaintiffs' Counsel

6 [Additional Counsel Appear on Signature Page]
7

8 UNITED STATES DISTRICT COURT
9 FOR THE NORTHERN DISTRICT OF CALIFORNIA

10 FATEMAH AZIZIAN, SORAYA FARRAH,
EUNICE FEY, ROSE GONZALES, KAZUKO
11 Y. MORGAN, NICOLA NELSON-TORRES,
MONIQUE PATRICK, JUDITH POGRAN,
12 PAMELA POWELL, SHIRLEY POWELL, and
ROSE SKILLMAN, on behalf of themselves and
13 all other similarly situated,

14 Plaintiffs,

15 v.

16 FEDERATED DEPARTMENT STORES, INC.;
THE NEIMAN-MARCUS GROUP, INC.;
17 NORDSTROM, INC.; THE MAY
DEPARTMENT STORES COMPANY; SAKS
18 INCORPORATED; GOTTCHALKS INC.;
TARGET CORPORATION; DILLARD'S, INC.;
19 CLARINS U.S.A., INC.; ESTÉE LAUDER
COMPANIES INC.; L'ORÉAL USA, INC.;
20 CONOPCO, INC.; CHRISTIAN DIOR
PERFUMES, INC.; GUERLAIN, INC.;
21 PARFUMS GIVENCHY, INC.; CHANEL, INC.;
BOUCHERON (USA) LTD.,
22

23 Defendants.
24
25
26
27
28

CIVIL NO.

CLASS ACTION

COUNT I

**COMPLAINT FOR VIOLATIONS
OF THE SHERMAN ACT**

COUNTS II AND III

**COMPLAINTS FOR (1) RESTRAINT
OF TRADE AND (2) UNFAIR
COMPETITION**

**JURY TRIAL DEMANDED ALL
COURSES OF ACTION**

1 Plaintiffs, FATEMAH AZIZIAN, SORAYA FARRAH, EUNICE FEY, ROSE
2 GONZALES, KAZUKO Y. MORGAN, NICOLA NELSON-TORRES, JUDITH POGRAN,
3 SHIRLEY POWELL, MONIQUE PATRICK, PAMELA POWELL and ROSE SKILLMAN, on
4 behalf of themselves and all others similarly situated, bring this action against the above-named
5 defendants and allege on information and belief as follows:

6 **JURISDICTION AND VENUE**

7 1. Plaintiffs bring this action under Section 4 and Section 16 of the Clayton Act, (15
8 U.S.C. §§ 15 and 16) to recover damages and to obtain injunctive relief as allowed by law, costs
9 of suit and reasonable attorneys' fees for defendants' violations of the federal antitrust laws,
10 including Section 1 of the Sherman Antitrust Act, 15 U.S.C. § 1.

11 2. This Court has jurisdiction over this action pursuant to Sections 4(a) and 16 of the
12 Clayton Act and 28 U.S.C. §§ 1331 and 1337.

13 3. Venue is proper in this district pursuant to Section 12 of the Clayton Act, 15
14 U.S.C. § 22, and 28 U.S.C. § 1391.

15 4. Defendants transact business and are found within the Northern District of
16 California. The interstate trade and commerce described herein is and has been carried out, in
17 part, within the Northern District of California, and many of the unlawful acts done in violation
18 of the Sherman Act have occurred within the Northern District of California.

19 **DEFINITIONS**

20 5. As used in this Complaint, the following definitions shall apply:

21 a. "Department Store Cosmetic Products" means the full range of high-end,
22 "prestige" or specialty beauty and cosmetic products and product lines
23 (whether new, established or discontinued), including, but not limited to,
24 color products, treatments and fragrances which are manufactured and/or
25 sold by the Manufacturer Defendants (as that term is defined below) or
26 Department Store Defendants (as that term is defined below) under
27 various brand names. Department Store Cosmetic Products are sold
28 primarily through Retail Stores (as that term is defined below), including

1 such stores owned or operated by the Department Store Defendants, who,
2 in turn, sell such products to the Plaintiffs and members of the Class. The
3 term "Department Store Cosmetics" excludes product lines sold
4 principally through mass distribution channels.

5 b. "Department Store Defendants" means Federated Department Stores, Inc.;
6 The Neiman-Marcus Group, Inc.; Nordstrom, Inc.; The May Department
7 Stores Company; Saks Incorporated; Gottchalks, Inc.; Target Corporation;
8 and Dillard's, Inc; each of which purchases Department Store Cosmetics
9 from one or more Manufacturers, including the Manufacturer Defendants,
10 and, in turn, resell such cosmetics to retail customers such as the
11 Plaintiffs.

12 c. "Retail Store" means each company, including but not limited to the
13 Department Store Defendants, which sells Department Store Cosmetics to
14 retail customers such as the Plaintiffs.

15 d. "Manufacturer Defendants" means The Estée Lauder Companies Inc.;
16 L'Oréal USA, Inc.; Conopco, Inc.; Christian Dior Perfumes, Inc.;
17 Guerlain, Inc.; Parfums Givenchy, Inc.; Chanel, Inc.; Boucheron (USA)
18 Ltd.; and Clarins U.S.A., Inc. -- each of which manufacturers or sells
19 Department Store Cosmetics to Retail Stores, including the Department
20 Store Defendants, who, in turn, resell such cosmetics to retail customers
21 such as the Plaintiffs.

22 e. "Manufacturer" means each company, including but not limited to the
23 Manufacturer Defendants, which manufactures and/or sells Department
24 Store Cosmetics to Retail Stores, including the Department Store
25 Defendants, which, in turn, resell such cosmetics to retail customers such
26 as the Plaintiffs.

27 f. "Manufacturer's Suggested Retail Price" (or "MSRP") means the price
28 that a Manufacturer suggests, at any given time, to a Retail Store, as the

1 price at which that Retail Store resells the Manufacturer's Products to
2 retail customers such as the Plaintiffs.

3 g. "Resale Price" means the price at which Department Store Cosmetics are
4 sold to retail customers such as the Plaintiffs, whether or not the price is
5 the same as the MSRP.

6 **THE PARTIES**

7 **The Individual and Representative Plaintiffs**

8 6. The Individual and Representative Plaintiffs are: FATEMAH AZIZIAN,
9 SORAYA FARRAH, EUNICE FEY, ROSE GONZALES, KAZUKO Y. MORGAN, NICOLA
10 NELSON-TORRES, MONIQUE PATRICK, JUDITH POGRAN, PAMELA POWELL,
11 SHIRLEY POWELL, and ROSE SKILLMAN. During the Class Period, each Individual and
12 Representative Plaintiff purchased Department Store Cosmetics, manufactured or sold by one or
13 more of the Manufacturer Defendants, from one or more of the Department Store Defendants for
14 her personal use and not for resale.

15 **The Department-Store Defendants**

16 7. Defendant FEDERATED DEPARTMENT STORES, INC. ("FEDERATED") is a
17 corporation organized and existing under the laws of the State of Delaware, with its principal
18 place of business in Cincinnati, Ohio. It is a corporation engaged in the retail department store
19 business through divisions that include, but are not limited to Macy's West and Bloomingdale's,
20 which purchase Department Store Cosmetics from the Manufacturer Defendants and others and
21 resell those cosmetics at retail to plaintiffs and members of the plaintiff class.

22 8. Defendant THE NEIMAN-MARCUS GROUP, INC. ("NEIMAN-MARCUS") is
23 a corporation organized and existing under the laws of the State of Texas, with its principal place
24 of business in Houston, Texas. NEIMAN-MARCUS is engaged in the retail department store
25 business. NEIMAN-MARCUS purchases Department Store Cosmetics from the Manufacturer
26 Defendants and others and resells those cosmetics at retail to plaintiffs and members of the
27 plaintiff class.

28 9. Defendant NORDSTROM, INC. ("NORDSTROM") is a corporation organized

1 and existing under the laws of the State of Washington, with its principal place of business in
2 Seattle, Washington. NORDSTROM is engaged in the retail department store business.
3 NORDSTROM purchases Department Store Cosmetics from the Manufacturer Defendants and
4 others and resells those cosmetics at retail to plaintiffs and members of the plaintiff class.

5 10. Defendant THE MAY DEPARTMENT STORES COMPANY ("MAY") is a
6 corporation organized and existing under the laws of the State of New York, with its principal
7 place of business in St. Louis, Missouri. MAY is engaged in the retail department store business
8 through its divisions Lord & Taylor and Robinson's May. MAY purchases Department Store
9 Cosmetics from the Manufacturer Defendants and others and resells those cosmetics at retail to
10 plaintiffs and members of the plaintiff class.

11 11. Defendant SAKS INCORPORATED ("SAKS") is a corporation organized and
12 existing under the laws of the State of Tennessee, with its principal place of business in
13 Birmingham, Alabama. SAKS and various of its subsidiaries or affiliates are engaged in the
14 retail department store business. SAKS and various of its subsidiaries or affiliates purchase
15 Department Store Cosmetics from the Manufacturer Defendants and others and resell those
16 cosmetics at retail to plaintiffs and members of the plaintiff class..

17 12. Defendant GOTTSCHALKS INC. ("GOTTSCHALKS") is a corporation
18 organized and existing under the laws of the State of California, with its principal place of
19 business in Fresno, California. GOTTSCHALKS is engaged in the retail department store
20 business. GOTTSCHALKS purchases Department Store Cosmetics from the Manufacturer
21 Defendants and others and resells those cosmetics at retail to plaintiffs and members of the
22 plaintiff class.

23 13. Defendant TARGET CORPORATION ("TARGET") is a corporation organized
24 and existing under the laws of the State of Minnesota, with its principal place of business in
25 Minneapolis, Minnesota. TARGET is engaged in the retail department store business. TARGET
26 purchases Department Store Cosmetics from the Manufacturer Defendants and others and resells
27 those cosmetics at retail to plaintiffs and members of the plaintiff class.

28 14. Defendant DILLARD'S, INC. ("DILLARD'S") is a corporation organized and

existing under the laws of the State of Delaware, with its principal place of business in the State of Arkansas. DILLARD'S and its wholly owned or controlled subsidiaries are engaged in the retail department store business. DILLARD'S purchases Department Store Cosmetics from the Manufacturer Defendants and others and resells those cosmetics at retail to plaintiffs and members of the plaintiff class.

The Manufacturer Defendants

15. Defendant THE ESTÉE LAUDER COMPANIES, INC. ("LAUDER") is a corporation organized and existing under the laws of the State of Delaware.

16. LAUDER, founded in 1946, is one of the world's leading manufacturers and marketers of Department Store Cosmetics, including skin care, makeup, fragrance and hair care products. The major trademarks and brand names used in LAUDER's business include Estée Lauder, Clinique, Aramis, Prescriptives, Origins, Tommy Hilfiger, Donna Karan New York, M.A.C. and Bobby Brown Essentials.

17. On information and belief, defendant FEDERATED accounted for nearly 12% of LAUDER's net sales, and Defendant MAY accounted for 10% of LAUDER's net sales during certain years.

18. Defendant L'ORÉAL USA, INC. ("L'ORÉAL ") formerly known as COSMAIR, INC., is a corporation organized and existing under the laws of the State of Delaware. L'ORÉAL is a wholly owned subsidiary of The Groupe L'Oréal, SA, a French Corporation. L'ORÉAL manufactures Department Store Cosmetics. L'ORÉAL manufactures or distributes other Department Store Cosmetics brands such as Lancôme (makeup and skin care), Biotherm (skin care), as well as the Ralph Lauren and Giorgio Armani brand fragrances.

19. Defendant CONOPCO, INC. ("CONOPCO") is a corporation organized and existing under the laws of the State of New York.

20. CONOPCO manufactures or manufactured Department Store Cosmetics, including the following brand names: (a) Calvin Klein Cosmetics: CK One, CK BE, Escape, Eternity and Obsession, Calvin Klein Color; (b) Cerrutti: Cerrutti 1881; (c) Chloe: Chloe and Narcisse; (d) Elizabeth Arden: 5th Avenue, Blue Grass, Red Door, Sunflowers and True Love;

(e) Elizabeth Taylor: Black Pearls, Elizabeth Taylor Passion, and White Diamonds; (f) Jean Louis Scherrer: Indian Night/Nuits Indienness; (g) Karl Lagerfeld: KL, Lagerfeld, Lagerfeld Classic, Sun Moon Stars, and (h) Valentino: Vendetta.

21. Defendant CHRISTIAN DIOR PERFUMES, INC. ("DIOR-US"), is a corporation organized and existing under the laws of the State of New York. DIOR-US is a wholly-owned subsidiary of Christian Dior Parfums SA, ("Dior France"), a French corporation located in France. DIOR-US distributes products manufactured by Dior France in the United States.

22. Defendant GUERLAIN, INC is a corporation organized and existing under the laws of the State of New York. GUERLAIN, INC is a wholly-owned subsidiary of Guerlain, SA, a French corporation, which manufactures the product GUERLAIN, INC. distributed in the United States.

23. Defendant PARFUMS GIVENCHY, INC. is a corporation organized and existing under the laws of the State of New York. PARFUMS GIVENCHY, INC. is owned by Parfums Givenchy, SA (68%) and LVMH Fashion Group, SA (32%), both of which are French corporations.

24. The three defendants named in the above three paragraphs distribute Department Store Cosmetics throughout the United States. For example, DIOR US distributes perfumes and haute couture products under the following brand names: Capture; Dior Make-Up Products: Dior Essence fragrances, Diorissimo fragrances, Eau Savage fragrances, Equite cleansers, Fahrenheit fragrances, Hydra Dior skin care products, Icone skin care products, Miss Dior fragrances, Poison fragrances and Resultante skin care products.

25. Defendant CHANEL, INC. ("CHANEL") is a corporation organized and existing under the laws of the State of New York. CHANEL is engaged in the manufacture and marketing of Department Store Cosmetics, including under the following brand names: Anateus Pour Homme, Chanel Beaute, Chanel No. 5 perfume, Chanel No. 19 perfume, Chanel No. 22 perfume, Coco Perfume, Cristalle perfume, Egoiste fragrance and Pour Monsieur fragrance. CHANEL is a wholly owned subsidiary of the French corporation Chanel France, located in France. Chanel

1 France is owned by Chanel International BV, located at Boerhaaven 22, Zoetermeer, Zuid-
2 Holland, The Netherlands 2713 HX.

3 26. Defendant BOUCHERON (USA) LTD. ("BOUCHERON") is a corporation
4 organized and existing under the laws of the State of New York. BOUCHERON manufactures
5 and distributes Department Store Cosmetics, including Boucheron perfume.

6 27. Defendant CLARINS U.S.A., INC. ("CLARINS") is a corporation organized and
7 existing under the laws of the State of New York. CLARINS distributes and markets Department
8 Store Cosmetics.

9 **Co-Conspirators**

10 28. Various others, presently unknown to plaintiffs, participated as co-conspirators
11 with the defendants in the violations of law alleged in this Complaint and have engaged in
12 conduct and made statements in furtherance thereof.

13 **CLASS ACTION ALLEGATIONS**

14 29. Plaintiffs bring this action pursuant to Rules 23(a) and b(3) of the Federal Rules
15 of Civil Procedure on behalf of themselves and the following Class ("the Class"):

16 All persons who currently reside in the United States and who purchased
17 Department Store Cosmetic Products in the United States, which products were
18 manufactured and/or sold by the Manufacturer Defendants or Department Store
19 Defendants, at any time during the period May 29, 1994 through June 1, 2003 (the
20 "Class Period"). Excluded from this Settlement Class are all employees, officers,
21 directors or agents (including attorneys) of any defendant, as well as any judge,
22 justice or judicial officer presiding over this matter, and each such person's
23 immediate family.

24 30. This action has been brought and may be properly maintained as a class action
25 because:

26 (a) The Class is ascertainable and there is a well-defined community of interest among
27 the members of the Class;

28 (b) Based upon the nature of the trade and commerce involved and the number of retail
purchasers of Department Store Cosmetics, plaintiffs believe that the members of the Class
number in the millions, and, therefore, joinder of all class members of the Class is not
practicable;

(c) Plaintiffs' claims are typical of the claims of those of the members of the Class

1 because plaintiffs purchased Department Store Cosmetics from one or more of the Department
2 Store Defendants, manufactured by one or more of the Manufacturer Defendants and their co-
3 conspirators, and therefore plaintiffs' claims arise from the same common course of conduct
4 giving rise to the claims of the members of the Class and the relief sought is common to the
5 Class;

6 (d) The following common questions of law or fact, among others, exist as to the
7 members of the Class:

- 8 (i) whether defendants combined and conspired to fix, raise, maintain or
9 stabilize the prices of Department Store Cosmetics;
- 10 (ii) whether said combination and conspiracy was implemented;
- 11 (iii) the operative time period of the combination and conspiracy;
- 12 (iv) whether the combination and conspiracy is continuing in nature;
- 13 (v) whether defendants' conduct violates Section 1 of the Sherman Act; and
- 14 (vi) whether defendants' conduct caused injury to the business or property of
15 plaintiffs and the members of the Class.

16 (e) Questions of law or fact, which are common to the members of the Class,
17 predominate over any questions affecting only individual members of the Class;

18 (f) Plaintiffs will fairly and adequately protect the interests of the Class in that
19 plaintiffs have no interests that are antagonistic to other members of the Class, and they have
20 retained counsel competent and experienced in the prosecution of class actions and antitrust
21 litigation to represent themselves and the Class;

22 (g) A class action is superior to other available methods for the fair and efficient
23 adjudication of this litigation since individual joinder of all damaged Class members is
24 impractical. The damages suffered by individual Class members are relatively small in relation
25 to the expense and burden of individual prosecution of the claims asserted in this litigation.
26 Thus, absent the availability of class action procedures, it would not be feasible for Class
27 members to redress the wrongs done to them. Even if the Class members could afford individual
28 litigation, the court system could not. Further, individual litigation presents the potential for

1 inconsistent or contradictory judgments and would greatly magnify the delay and expense to all
2 parties and to the court system and, therefore, the class action device presents far fewer case
3 management difficulties and will provide the benefits of unitary adjudication, economy of scale
4 and comprehensive supervision by a single court; and

5 (h) In the absence of a class action, defendants would be unjustly enriched because
6 they would be able to retain the benefits and fruits of their wrongful conduct.

7 TRADE AND COMMERCE

8 31. During the time period covered by this Complaint, various Manufacturers,
9 including each of the named Manufacturer Defendants, sold and shipped substantial quantities of
10 Department Store Cosmetics in a continuous and uninterrupted flow of interstate commerce to
11 Retail Department Stores, including each of the Department Store Defendants, located in states
12 other than the states in which the Manufacturers are located. The Retail Department Stores, in
13 turn, resold the Department Store Cosmetics to consumers in the United States.

14 32. The business activities of the various Manufacturers, including each of the named
15 Manufacturer Defendants, and the Retail Department Stores, including each of the Department
16 Store Defendants, that are the subject of this Complaint were within the flow of and substantially
17 affected interstate trade and commerce.

18 THE COSMETICS INDUSTRY

19 33. Department Store Cosmetics' counters generally feature only one cosmetic
20 Manufacturer's lines per counter. By way of example, the Lauder counter may display "Estée
21 Lauder," "Clinique" or "Origins" brands, among others, but these are all Lauder-owned brands.
22 Cosmetics counters are located in areas of the Retail Department Stores where customer traffic is
23 heavy -- usually the main floor of the Retail Department Stores and generally near the main
24 entrance, which is the most visible and therefore the most valuable location in any department
25 store.

26 34. The Department Store Defendants purchase Department Store Cosmetics for
27 resale and take title to such goods upon receipt thereof. The Manufacturer Defendants pay for
28 store counters, in-store displays, demonstrations and other advertising, as well as up to 135% of

1 the salaries of cosmetic-counter salespeople, all in return for the Department Store Defendants'
2 agreement to sell at MSRP. The Manufacturer Defendants further guarantee the Department
3 Store Defendants a gross margin equal to 40% of the retail price of the Department Store
4 Cosmetics and the Manufacturer Defendants buy back any unsold Department Store Cosmetics,
5 thus guaranteeing that there will never be any mark-downs of Department Store Cosmetics.
6 Therefore, the Department Store Defendants have none of the usual risks attendant to retail sales
7 unless they deviate from the MSRP.

8 35. Defendants' conduct with respect to the pricing of Department Store Cosmetics
9 reveals that they do not compete on the basis of price with respect to the retail sale of
10 Department Store Cosmetics. Department Store Cosmetics never go on sale. Even though
11 cosmetics are extensively advertised by the defendants, discount prices are never advertised or
12 offered.

13 36. Defendants do not compete on the basis of price or discounts in the retail sale of
14 Department Store Cosmetics and have engaged and continue to engage in acts and
15 practices to prevent price competition in the retail sale of Department Store Cosmetics.

16 VIOLATIONS ALLEGED

17 37. Beginning at a time presently unknown to plaintiffs, and continuing
18 thereafter up to and including the date of the filing of this Complaint, the defendants and their
19 co-conspirators entered into and engaged in a continuing contract, combination or conspiracy in
20 unreasonable restraint of trade and commerce in violation of Section 1 of the Sherman Act (15
21 U.S.C. § 1).

22 38. The contract, combination or conspiracy consisted of a continuing agreement,
23 understanding and concert of action among the defendants and their co-conspirators, the
24 substantial terms of which were to fix, raise, and stabilize the prices of Department Store
25 Cosmetics and to limit the supply of Department Store Cosmetics.

26 39. For the purpose of forming and effectuating their continuing contract,
27 combination or conspiracy, the defendants and their co-conspirators did those things which they
28 contracted, combined or conspired to do, including but in no way limited to the acts, practices

1 and course of conduct set forth above and the following:

- 2 (a) To fix, establish, control or maintain the Resale Price at which any
- 3 Retail Store may advertise, promote, offer for sale or sell any
- 4 Department Store Cosmetic Products;
- 5 (b) To require, coerce, or otherwise pressure only Retail Stores to maintain,
- 6 adopt or adhere to any resale price for any Department Store Cosmetic
- 7 Products;
- 8 (c) To secure or attempt to secure any commitment or assurance from any
- 9 Retail Store concerning the resale price at which the Retail Store may
- 10 advertise, promote, offer for sale or sell any Department Store Cosmetic
- 11 Products;
- 12 (d) To limit the amount of Products that any Retail Store may purchase at one
- 13 time or in any single order from any Manufacturer;
- 14 (e) To limit the number or dollar amount of Department Store Cosmetic
- 15 Products that may be purchased from any Retail Store at one time by any
- 16 single retail customer;
- 17 (f) To establish, in connection with any gift-with-purchase, purchase
- 18 with-purchase or similar promotion of Department Store Cosmetic
- 19 Products (collectively "Promotion"), the "qualifying amount," *i.e.*, the
- 20 amount which the retail customer pays in order to receive the benefit (*e.g.*,
- 21 the gift or additional purchase) associated with the Promotion;
- 22 (g) To limit the number of Department Store Cosmetic Products that may be
- 23 given or sold by a Retail Store to any single retail customer in connection
- 24 with a Promotion, regardless of whether the customer has paid in excess of
- 25 the qualifying amount;
- 26 (h) To prohibit any Retail Store from advertising any Manufacturer's Products
- 27 at a price other than MSRP;
- 28 (i) To prohibit a Promotion of a Manufacturer on the same date(s) as a

Promotion by that same Manufacturer at another Retail Store;

(j) To prohibit a Promotion of one Manufacturer on the same date(s) another Manufacturer is having a Promotion at another Retail Store;

(k) To prohibit a Promotion of one Manufacturer on the same date(s) another Manufacturer is having a Promotion at the same Retail Store.

EFFECTS

40. The contract, combination or conspiracy had the following effects, among others:

(a) Retail prices charged by defendants and their co-conspirators for Department Store Cosmetics were fixed, raised, maintained or stabilized at artificially high and supra-competitive levels; and

(b) Competition for the sale of Department Store Cosmetics in the United States was unreasonably restrained.

DAMAGES

41. As a direct and proximate result of defendants' unlawful conduct, plaintiffs and the members of the class have been injured in their business and property in that they paid more for Department Store Cosmetics than they otherwise would have paid in the absence of defendants' unlawful conduct. In addition, the illegal conduct alleged herein is continuing and, unless restrained, defendants will continue to engage in such conduct.

PRAYER FOR RELIEF

WHEREFORE, plaintiffs demand judgment against defendants as follows:

42. Declaring this action to be certified and approved as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of the Class as defined herein;

43. That the unlawful combination and conspiracy alleged herein be adjudged and decreed to be an unreasonable restraint of trade or commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1);

44. That plaintiffs and the Class recover damages, as provided by law, and that joint and several judgment in favor of plaintiffs and the Class be entered against defendants and each of them in an amount to be trebled in accordance with the antitrust laws;

1 45. That plaintiffs and the Class recover their costs of this suit, including reasonable
2 attorneys' fees, as provided by law;

3 46. That plaintiffs be entitled to prejudgment interest pursuant to section 4 (a) of the
4 Clayton Act;

5 47. That each of the defendants, co-conspirators, successors, assigns, parents,
6 subsidiaries, affiliates and transferees, and their respective officers, directors, agents and
7 employees, and all other persons acting or claiming to act on behalf of defendants or in concert
8 with them, be permanently enjoined and restrained from, in any manner, directly or indirectly,
9 continuing, maintaining or renewing the combinations, conspiracy, agreement, understanding or
10 concert of action, or adopting or following any practice, plan, program or design having similar
11 purpose or effect in restraining competition; and

12 48. That plaintiffs and the Class be granted such other and further relief as the nature
13 of the case may require or as may seem just and proper to this Court.

14 **JURY TRIAL DEMANDED**

15 Plaintiffs demand a trial by jury of all issues so triable in this case.

16 **COUNTS II AND III**

17 Pursuant to the Supplemental Jurisdiction of this Court under 28 U.S.C. §1367, plaintiffs
18 above-named bring the following causes of action:

19 **JURISDICTION AND VENUE**

20 49. Plaintiffs bring this action pursuant to Section 16750(a) of the California
21 Business and Professions Code, to recover treble the damages that plaintiffs and the members of
22 the class, as defined, have sustained due to violations by the named defendants and their
23 co-conspirators of Section 16720 of the California Business and Professions Code (the
24 "Cartwright Act"). Plaintiffs' claims also are brought pursuant to Sections 17203 and 17204,
25 California Business and Professions Code, to obtain restitution from the defendants due to their
26 violations of Section 17200 of the California Business and Professions Code (the "Unfair
27 Competition Act").

28 50. Venue as to each defendant is proper in this judicial district pursuant to the

1 provisions of Sections 16750(a) and 17203 of the Business and Professions Code and Sections
2 395(a) and 395.5 of the California Code of Civil Procedure. Each defendant either maintains an
3 office, transacts business, has an agent or is found in the various counties set forth in the
4 Complaint. Plaintiffs' causes of action arose in part within the various counties alleged and each
5 defendant is subject to the jurisdiction of this Court. The unlawful conduct undertaken pursuant
6 to the combination or conspiracy alleged has a direct effect on consumers within the State of
7 California including the various counties alleged, and the trade and commerce described below is
8 carried on within the State of California, as well as within those counties alleged.

9 51. Both causes of action are brought and may be properly maintained as a class
10 action pursuant to Section 382 of the California Code of Civil Procedure.

11 COUNT II

12 (For Violations of the Cartwright Act)

13 52. Plaintiffs incorporate by reference paragraphs 5 through 48 of the First Count of
14 this Complaint, as though fully set forth at length in this paragraph.

15 53. Beginning at a time presently unknown to plaintiffs and continuing thereafter up
16 to and including the date of the filing of this Complaint, defendants and co-conspirators entered
17 into and engaged in a continuing, unlawful trust in restraint of the trade and commerce in
18 violation of Section 16720, California Business and Professional Code. Defendants, and each of
19 them, have acted in violation of Section 16720 to fix, raise, stabilize and maintain prices of
20 Department Store Cosmetics at supra-competitive levels.

21 54. As a direct and proximate result of defendants' unlawful conduct, plaintiffs and
22 the members of the class have been injured in their business and property in that they paid more
23 for Department Store Cosmetics than they otherwise would have paid in the absence of
24 defendants' unlawful conduct. In addition, the illegal conduct alleged herein is continuing and,
25 unless restrained, defendants will continue to engage in such conduct. As a result of defendants'
26 violation of Section 16720 of the California Business and Professions Code, plaintiffs seek treble
27 damages, equitable relief and costs of suit, including reasonable attorney fees, pursuant to
28 16750(a) of the California Business and Professions Code and such similar laws.

1 **COUNT III**

2 **(For Violations of the Unfair Competition Act)**

3 55. Plaintiffs incorporate by reference paragraphs 5 through 48 of the First Count of
4 this Complaint, as though fully set forth at length in this paragraph.

5 56. Beginning on a date unknown to plaintiffs, defendants committed and continue to
6 commit acts of unfair competition, as defined by Sections 17200, *et seq.* of the California
7 Business and Professions Code.

8 57. This Complaint is filed and these proceedings are instituted pursuant to Sections
9 17203 and 17204 of the California Business and Professions Code, to obtain restitution from
10 these defendants for acts, as alleged herein, that violated Section 17200 of the California
11 Business and Professions Code, commonly known as the Unfair Competition Act and such
12 similar laws.

13 58. The defendants' conduct as alleged herein violates Section 17200. The acts,
14 omissions, misrepresentations, practices, and non-disclosures of defendants, as alleged herein,
15 constituted and constitute a common continuous and continuing course of conduct of unfair
16 competition by means of unfair, unlawful and/or fraudulent business acts or practices within the
17 meaning of California Business and Professions Code, Section 17200, *et seq.*, including, but in
18 no way limited to, the following:

- 19 (a) The violations of Section 16720, *et seq.* of the California Business and
20 Professions Code, set forth above;
- 21 (b) Defendants' acts, omissions, misrepresentations, practices and
22 non-disclosures, as described above, whether or not in violation of Section
23 16720, *et seq.* of the California Business and Professions Code, and
24 whether or not concerted or independent acts, are otherwise unfair,
25 unconscionable, unlawful or fraudulent;
- 26 (c) Violation of Section 5 of the Federal Trade Commission Act
27 (15 U.S.C. § 45(a));
- 28 (d) Defendants' acts and practices are unfair to consumers in the State of

1 California and other states and territories within the meaning of Section
2 17200, California Business and Professional Code; and

3 (c) Defendants' acts and practices are fraudulent or deceptive within the
4 meaning of Section 17200 of the California Business and Professions
5 Code.

6 59. Plaintiffs and the Plaintiff Class are entitled to equitable and injunctive relief,
7 including full restitution and/or disgorgement of all revenues, earnings, profits, compensation
8 and benefits which may have been obtained by defendants as a result of such business acts or
9 practices and enjoining defendants to cease and desist from engaging in the practices described
10 herein.

11 60. The illegal conduct alleged herein is continuing and there is no indication
12 that defendants will not continue such activity into the future.

13 61. The unlawful and unfair business practices of defendants, and each of
14 them, as described above, have injured and present a continuing threat of injury to members of
15 the public in that defendants' conduct has restrained and continues to restrain competition, has
16 caused and continues to cause plaintiffs and the members of the Class they represent to pay
17 supra- competitive and artificially-inflated prices for Department Store Cosmetics, and has made
18 it likely that members of the public have been and will continue to be deceived with respect to
19 the manner in which the prices charged for Department Store Cosmetics have been set.

20 62. The conduct of defendants as alleged in this Complaint violates
21 Section 17200 of the California Business and Professions Code.

22 63. As alleged in this Complaint, defendants and their co-conspirators have
23 been unjustly enriched as a result of their wrongful conduct and by defendants' unfair
24 competition. Plaintiffs and the members of the Class are accordingly entitled to equitable relief
25 including restitution and/or disgorgement of all revenues, earnings, profits, compensation and
26 benefits which may have been obtained by defendants as a result of such business practices,
27 pursuant to the California Business and Professions Code, Sections 17203 and 17204.

28 64. The illegal conduct alleged herein is continuing and, unless restrained,

1 defendants will continue to engage in such conduct.

2 **PRAYER FOR RELIEF**

3 WHEREFORE, plaintiffs, on behalf of themselves and the members of the
4 Class, pray for judgment against defendants, jointly and severally, as follows:

5 65. Determining that this action may proceed and be maintained as a class
6 action;

7 66. On the second count:

8 (a) For damages according to proof at trial, and that such amount be
9 trebled;

10 (b) For reasonable attorneys' fees pursuant to Section 16750(a) of the
11 California Business and Professions Code;

12 (c) For prejudgment interest at the highest legal rate, from and after
13 the date of service of the initial Complaint in this action.

14 67 On the third count:

15 Ordering defendants, and each of them, their agents and
16 employees, and all persons acting, directly or indirectly, in
17 concert with them, to restore all funds to each member of the class
18 acquired by means of any act or practice declared by this Court to
19 be unlawful or to constitute unfair competition under Sections
20 17200, *et seq.* of the California Business and Professions Code;

21 68. For costs of suit;

22 69. For such other and further relief as the Court may deem just and proper.
23

24 Dated: July __, 2003.

25 GUIDO SAVERI (22349)
26 R. ALEXANDER SAVERI (173102)
27 LISA SAVERI (112043)
28 SAVERI & SAVERI, INC.
111 Pine Street, Suite 1700
San Francisco, California 94111-5619
Telephone: (415) 217-6810

1 WILLIAM BERNSTEIN (65200)
2 JOSEPH R. SAVERI (130064)
3 MICHAEL W. SOBOL (194857)
4 MICHELE C. JACKSON (90807)
5 LIEFF, CABRASER, HEIMANN & BERNSTEIN
6 Embarcadero Center West
7 275 Battery Street, 30th Floor
8 San Francisco, CA 94111
9 Telephone: (415) 956-1000

6 FRANCIS O. SCARPULLA (41059)
7 LAW OFFICES OF FRANCIS O. SCARPULLA
8 Embarcadero Center West
9 275 Battery Street, 28th
10 San Francisco, CA 94111
11 Telephone: (415) 788-7210

10 JOSEF D. COOPER (53015)
11 COOPER & KIRKHAM, P.C.
12 655 Montgomery, 17th Floor
13 San Francisco, CA 94111
14 Telephone: (415) 788-3030

13 JOSEPH M. ALIOTO (42680)
14 THERESA MOORE (99978)
15 ANGELINA GRACE (206899)
16 THE LAW FIRM OF JOSEPH M. ALIOTO
17 555 California, 31st Floor
18 San Francisco, CA 94104
19 Telephone: (415) 434-8900

17 DANIEL J. MOGIN (95624)
18 THE MOGIN LAW FIRM, P.C.
19 110 Juniper Street
20 San Diego, CA 92101-1502
21 Telephone: (619) 687-6611

20 J. GARRETT KENDRICK (61698)
21 KENDRICK & NUTLEY
22 468 North Camden Drive, Suite 200
23 Beverly Hills, CA 90210
24 Telephone: (310) 858-5571

23 TERRY GROSS (103878)
24 GROSS & BELSKY
25 180 Montgomery Street, Suite 2200
26 San Francisco, CA 94111
27 Telephone: (415) 544-0200

26 W. TIMOTHY NEEDHAM (95642)
27 JANSSEN, MALLOY, NEEDHAM,
28 MORRISON & KOSHKIN
730 Fifth Street, Post Office Drawer 1288
Eureka, CA 95502
Telephone: (707) 445-2071

1 GRETCHEN M. NELSON (112566)
2 LAW OFFICES OF GRETCHEN M. NELSON
3 707 Wilshire Boulevard, Suite 5000
4 Los Angeles, CA 90017
5 Telephone: (213) 622-6469

6 ROBERT DISKINT
7 CRITCHLOW & DISKINT
8 938 B Street
9 San Rafael, CA 94901
10 Telephone: (415) 721-7900

11 MICHAEL J., FLANNERY
12 THE DAVID DANIS LAW FIRM, PC
13 8235 Forsyth Boulevard, Suite 1100
14 St. Louis, MO 63105
15 Telephone: (314) 725-7700

16 JOHN H. BOONE
17 555 California, 31st Floor
18 San Francisco, CA 94104
19 Telephone: (415) 434-1133

20 SUSAN TAYLOR
21 MILBERG, WEISS, BERSHAD,
22 HYNES & LERACH, L.L.P.
23 600 West Broadway
24 1800 One America Plaza
25 San Diego, CA 92101-3356
26 Telephone: (619) 231 - 1058

27 CRAIG C. CORBITT (83250)
28 ZELLE, HOFMANN, VOELBEL
MASON & GETTE, LLP
44 Montgomery Street, Suite 3400
San Francisco, CA 94104
Telephone: (415) 693-0700

JOHN L. BURRIS (69888)
LAW OFFICES OF JOHN L. BURRIS
7677 Oakport, Suite 1120
Oakland, CA 94612
Telephone: (510) 839-5200

BEN FURTH
THE FURTH FIRM
201 Sansome Street, Suite 1000
San Francisco, CA 94104
Telephone: (415) 433-2070

ALAN R. PLUTZIK (77785)
BRAMSON, PLUTZIK, MAHLER &
BIRKHAEUSER, LLP
2125 Oak Grove Road, Suite 120
Walnut Creek, CA 94598
Telephone: (925) 945-0200

1 JOHN W. ALLURED (84770)
2 LAW OFFICES OF JOHN W. ALLURED
3 One Maritime Plaza, Suite 1040
4 San Francisco, California 94111
5 Telephone: (415) 675-2960

6
7 By: _____
8 Guido Saveri
9 Chair, Committee of Plaintiffs' Counsel

10 cosmetics.099.wpd
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Stipulated Order

It is hereby stipulated and agreed, by and between the named plaintiffs and the class they represent (collectively "Plaintiffs") and each of the undersigned Defendants as follows:

I. General Terms and Conditions

- A. This stipulation and agreement ("Stipulated Order" or "Order") is for settlement purposes only, and does not and shall not constitute an admission by any of the undersigned Defendants that they have engaged in any of the activities prohibited or described below, or that any laws have been violated as alleged by the Plaintiffs in: (i) their Complaint (the "Federal Complaint") filed on July 18, 2003, in the United States District Court for the Northern District of California entitled *Azizian, et al. v. Federated Department Stores, Inc., et al.*, Docket No. C 03 3359 (the "Federal Action"); or (ii) their Amended Consolidated Complaint filed on May 17, 2000, or any other complaint previously filed by them, in the Superior Court for the State of California, County of Marin.
- B. This Stipulated Order, along with each of its terms and conditions, shall not become effective unless and until it is entered by order ("Approval Order") of the United States District Court for the Northern District of California or any transferee court thereof (the "United States District Court"), and shall expire and cease to apply three (3) years after the date on which such Approval Order is entered.
- C. The United States District Court has jurisdiction over the subject matter of this Stipulated Order and over the parties hereto pursuant to Section 1 of the Sherman Act and Sections 4 and 16 of the Clayton Act (15 U.S.C. §§ 1, 15 and 26).
- D. For purposes of this Stipulated Order, the following definitions shall apply:
 - 1. "Department Store Cosmetics" or "Products" mean the full range of high-end, "prestige" or specialty beauty and cosmetic products and product lines (whether established, discontinued or new), including, but not limited to, color products, treatments and fragrances which are or were manufactured, distributed and/or sold by the Manufacturer Defendants (as that term is defined below) or the Department Store Defendants (as that term is defined below) under various brand names. Department Store Cosmetics are sold to Retail Stores (as that term is defined below), who, in turn, sell such products to retail customers such as the Plaintiffs. The term "Department Store Cosmetics" excludes products and product lines sold principally through mass distribution channels, and, for each Manufacturer Defendant is limited to its discontinued and current product groups and brands, as well as any new brands which would otherwise be under the

definition of Department Store Cosmetics during the period that the Order is effective pursuant to Section II., below.

2. "Department Store Defendant" means each entity named as a defendant in the Federal Complaint which is also a signatory to this Stipulated Order and which purchases Department Store Cosmetics from one or more Manufacturers (as that term is defined below), including the Manufacturer Defendants (as that term is defined below), and, in turn, resells such cosmetics to retail customers such as the Plaintiffs.
3. "Retail Store" means each company or entity, including but not limited to the Department Store Defendants, which sells Department Store Cosmetics to retail customers such as the Plaintiffs.
4. "Manufacturer Defendant" means each entity named as a defendant in the Federal Complaint which is also a signatory to this Stipulated Order and which manufactures, distributes and/or sells Department Store Cosmetics to Retail Stores, including the Department Store Defendants, who, in turn, resell such cosmetics to retail customers such as the Plaintiffs.
5. "Manufacturer" means each company, including but not limited to the Manufacturer Defendants, which manufactures, distributes and/or sells Department Store Cosmetics to Retail Stores, including the Department Store Defendants, who, in turn, resell such cosmetics to retail customers such as the Plaintiffs.
6. "Manufacturer's Suggested Retail Price" (or "MSRP") means the price that a Manufacturer suggests, at any given time, to a Retail Store as being the price at which that Retail Store resells the Manufacturer's Product to retail customers such as the Plaintiffs, and shall not mean a "Qualifying Amount" as that term is defined below.
7. "Resale Price" means the price or price level at which Department Store Cosmetics are sold to retail customers such as the Plaintiffs, whether or not the price or price level is the same as the MSRP.
8. "Agreement" means a contract, combination or conspiracy which would constitute concerted conduct under federal judicial precedent concerning Section 1 of the Sherman Act (15 U.S.C. § 1). In addition, the legal principles set forth in *Copperweld Corp. v. Independence Tube Corp.*, 467 U.S. 752 (1984), as well as subsequent federal judicial precedent applying those legal principles, shall apply to this Stipulated Order.
9. "Cooperative Advertising" means any advertising or advertising program pursuant to which a Manufacturer pays the cost, in whole or in part, of advertising by a Retail Store for the Manufacturer's Department Store Cosmetics.

10. "Promotion" means any gift-with-purchase, purchase-with-purchase, launch or similar promotion of Department Store Cosmetics that may, from time-to-time be made available to Retail Stores, the cost of which is paid in whole or in part by the Manufacturer whose Products are the subject of the Promotion.
11. "Qualifying Amount" means the amount which any Manufacturer Defendant determines is the amount which any retail customer must pay in order to receive the benefit associated with any Promotion.

II. Specific Conditions

A. Department Store Defendants

1. Each of the undersigned Department Store Defendants, its successors and assignees, its officers, directors, agents, representatives and employees, or through any parent, subsidiary or affiliated corporation, division or other device, in connection with the advertising, offering for sale, sale or distribution of Department Store Cosmetics, is prohibited from entering into any Agreement with any Manufacturer:
 - a. To fix, establish, control or maintain the Resale Price, including any MSRP, at which any Department Store Defendant may offer for sale or sell any Products;
 - b. To maintain, adopt or adhere to any resale price for any Products;
 - c. To secure any commitment or assurance from any other Department Store Defendant concerning the resale price at which that Department Store Defendant may offer for sale or sell any Products; or
 - d. To prohibit any Department Store Defendant from advertising any Manufacturer Defendant's Products at a Resale Price less than the Manufacturer's Suggested Retail Price, or to prohibit any other Department Store Defendant from advertising any Manufacturer Defendant's Products at a Resale Price less than the Manufacturer's Suggested Retail Price, provided that this subparagraph (d) does not apply to any advertising done pursuant to a Cooperative Advertising program.
2. Provided, however, that nothing in this Stipulated Order shall prohibit any contract or understanding between any Department Store Defendant and a Manufacturer (or any unilateral conduct by a Department Store Defendant) concerning:

- a. The amount of Product that said Department Store Defendant purchases at one time or in any single order from any Manufacturer;
- b. The number or dollar amount of Products that may be sold by any Department Store Defendant at one time to any single customer of the Department Store;
- c. The terms and conditions of any Promotion, including the Qualifying Amount or the number or value of any gift(s) or other component(s) of the Promotion;
- d. Purchasing a Manufacturer's Products at a wholesale price which is determined by a fixed percentage of the MSRP for such Products;
- e. Selling a Manufacturer's Products at that Manufacturer's MSRP based on the unilateral decision of a Department Store Defendant and in the absence of any Agreement enumerated in Paragraph II.A.1. herein;
- f. Establishing terms or conditions of the sale or resale of any Products other than Resale Price, such as credits, backorders, returns and opening orders; or
- g. Establishing exclusive or limited distribution periods with respect to any Manufacturer's Products or Promotions of its Products, including but not limited to exclusive or limited distribution periods in which: (i) only one Manufacturer's Promotion is run by a Department Store Defendant on any given date(s); or (ii) a Manufacturer does not offer any Promotion at any Department Store Defendant's retail store on the same date(s) as that Manufacturer's Promotion is offered at another Retail Store.

B. Manufacturer Defendants

- 1. Each undersigned Manufacturer Defendant, its successors and assignees, its officers, directors, agents, representatives and employees or through any parent, subsidiary or affiliated corporation, division or other device, in connection with the manufacture, advertising, offering for sale, sale or distribution of that Manufacturer Defendant's Products, is prohibited from entering into any Agreement with any Retail Store:
 - a. To fix, establish, control or maintain the Resale Price, including any MSRP, at which any Department Store Defendant may offer for sale or sell any Products;

- b. To maintain, adopt or adhere to any resale price for any Manufacturer Defendant's Products;
 - c. To secure any commitment or assurance from any Department Store Defendant concerning the resale price at which such Department Store Defendant may offer for sale or sell any Products; or
 - d. To prohibit any Department Store Defendant from advertising any Manufacturer Defendant's Products at a Resale Price less than the Manufacturer's Suggested Resale Price, or to prohibit any other Department Store Defendant from advertising any Manufacturer Defendant's Products at a Resale Price less than the Manufacturer's Suggested Resale Price provided that this subparagraph (d) does not apply to any advertising done pursuant to a Cooperative Advertising program.
2. Each Manufacturer Defendant is also prohibited from:
- a. Suggesting or recommending an MSRP or Resale Price to any Department Store Defendant in writing on any price list or order form unless it clearly states the following caveat on each page of such list or form: "The Retail Prices Quoted Herein Are Suggested Only. You Are Completely Free to Determine Your Own Retail Prices";
 - b. Requiring any Department Store Defendant to report the identity of any other Department Store Defendant which resells that Manufacturer Defendant's Products below the Manufacturer Defendant's Suggested Resale Price, provided that it shall not constitute a violation of this Stipulated Order for a Manufacturer Defendant to receive an unsolicited report from any Department Store Defendant as to the identity of any other Department Store Defendant which has sold that Manufacturer Defendant's Products below the Manufacturer Defendant's Suggested Resale Price;
 - c. Taking objectively baseless action under applicable legal precedent to hinder or preclude the lawful use by any Department Store Defendant of any brand name, trade name or trademark of any Manufacturer Defendant because of the sale or advertising of any Department Store Cosmetics at any resale price;
 - d. Conducting any surveillance program to determine whether any Department Store Defendant is advertising, offering for sale or selling any Department Store Cosmetics at any Resale Price, where such surveillance program is conducted to fix, maintain, control or

enforce the Resale Price at which any Department Store Cosmetics are sold or advertised;

- e. Making any payment or granting any other benefit to any Department Store Defendant in consideration for the Department Store Defendant's agreement to sell or advertise any Department Store Cosmetics at MSRP, except in connection with any Cooperative Advertising program or any conduct, agreement or understanding referenced in Section III.B.3. below; or
 - f. Agreeing upon the prices for new cosmetic Products with any other Manufacturer Defendant.
3. Provided, however, that nothing in this Stipulated Order shall prohibit any contract or understanding between any Manufacturer Defendant and a Retail Store (or any unilateral conduct by a Manufacturer Defendant) concerning:
- a. The amount of Products that any Retail Store purchases at one time or in any single order from any Manufacturer Defendant;
 - b. The number or dollar amount of Products that may be sold by any Retail Store at one time to any single customer of the Retail Store;
 - c. The terms and conditions of any Promotion, including the Qualifying Amount or the number or value of any gift(s) or other component(s) of the Promotion;
 - d. Selling that Manufacturer Defendant's Products at a wholesale price which is determined by a fixed percentage of the Manufacturer Defendant's Suggested Resale Price for such Products;
 - e. Establishing terms or conditions of the sale or resale of any Products other than Resale Price, such as credits, backorders, returns and opening orders; or
 - f. Establishing exclusive or limited distribution periods with respect to that Manufacturer Defendant's Products or Promotions of its Products, including but not limited to exclusive or limited distribution periods in which: (i) only one Manufacturer Defendant's Promotion is run by a Retail Store on any given date(s); or (ii) that Manufacturer Defendant does not offer any Promotion at one Retail Store on the same date(s) as its Promotion is offered at another Retail Store.

III. Additional Provisions

- A. Nothing in this Stipulated Order shall be construed to prohibit a Department Store or Manufacturer Defendant from entering into any agreement or understanding, or engaging in any conduct, not prohibited by this Stipulated Order.
- B. This Stipulated Order has no application to any claims(s) that Plaintiffs may have against any Retail Store(s) or Manufacturer(s) that has not signed this Stipulated Order (collectively "Non-Signatories"). Accordingly, nothing in this Stipulated Order may be construed as limiting Plaintiffs' right to claim that any policy, practice, agreement or conduct of or by any Non-Signatory ("Non-Signatory Conduct") is violative of any federal or state antitrust law, or any other applicable law, irrespective of whether the Non-Signatory Conduct at issue is: (a) pursuant to an agreement with a Department Store Defendant or Manufacturer Defendant; or (b) otherwise related to or associated with a policy, practice, agreement or conduct of or by a Department Store Defendant or Manufacturer Defendant.
- C. Nothing in this Stipulated Order shall be construed in a manner that is inconsistent with the terms of the parties' Settlement Agreement.

IV. Distribution of this Stipulated Order

- A. Within thirty (30) days after entry of this Stipulated Order, each Manufacturer Defendant shall mail the attached Exhibit A to the main office of each Retail Store in the United States of America to whom said Manufacturer Defendant sells Products. An affidavit shall be sworn to by an official of said Manufacturer Defendant verifying that the attached Exhibit A was so mailed and filed with this court within ten (10) days after mailing;
- B. Each Manufacturer Defendant shall mail the attached Exhibit A to any person, partnership, corporation or firm that becomes a new seller of that Manufacturer Defendant's Products within three (3) years after entry of this Stipulation and Order;
- C. Each of the undersigned Department Store Defendants and Manufacturer Defendants shall, within thirty (30) days of the date on which the Stipulated Order is entered, distribute a copy of this Stipulation to each of its management officers, employees, agents or representatives who has responsibilities related to the sale or marketing of Department Store Cosmetics at or above the level of Department or Divisional Merchandise Manager (or its functional equivalent) for Department Store Defendants, and at or above the level of Regional Sales Manager (or its functional equivalent) for Manufacturer Defendants ("Covered Employees"), and will certify in writing to the Court that it has done so. In addition, each Department Store Defendant and Manufacturer Defendant shall, for a period of three (3) years from the date of entry of the Approval Order, distribute a copy of this Stipulation to any new Covered Employee to whom the Stipulation was not previously distributed.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have caused this Agreement to be executed by their officers or representatives hereunto duly authorized, effective as of the date first above mentioned. In so doing, the Parties expressly agree to and intend to be legally bound by this Agreement.

Boucheron (USA) Ltd.: Date: _____

By: _____

Chanel, Inc.: Date: _____

By: _____

Christian Dior Perfumes, Inc: Date: _____

By: _____

Clarins U.S.A., Inc.: Date: _____

By: _____

Conopco, Inc.: Date: _____

By: _____

The Estée Lauder Companies Inc.: Date: _____

By: _____

Guerlain, Inc. Date: _____

By: _____

L'Oréal USA, Inc.: Date: _____
(formerly known as Cosmair, Inc.)

By: _____

Parfums Givenchy, Inc.: Date: _____

By: _____

Dillard's Inc.: Date: _____

By: _____

Federated Department Stores, Inc.: Date: _____

By: _____

Gottschalks Inc.: Date: _____

By: _____

The May Department Stores Company: Date: _____

By: _____

The Neiman Marcus Group, Inc. Date: _____

By: _____

Nordstrom, Inc. Date: _____

By: _____

Saks Incorporated: Date: _____

By: _____

Target Corporation: Date: _____

By: _____

ORDER

It is so ordered this _____ day of _____, 2003.

Judge

Exhibit A

Dear Retailer:

This letter is intended to remind you of certain aspects of our Company's practices concerning the sale of its prestige or specialty beauty and cosmetic products ("Products") to your stores:

1. The Company may, in its discretion, provide you with a suggested resale price for its Products. Any such price is a suggested price only; you are completely free to determine your own retail prices. The Company will not enter into any agreement with you (and will not require or solicit any commitment or assurance from you) concerning the retail prices at which you sell the Company's Products.
2. Notwithstanding anything above, with respect to any advertising or advertising program for Products which is paid, in whole or in part, by the Company ("Cooperative Advertising"), the Company reserves the right to set terms and conditions related to such advertising (including but not limited to the price at which Products will be advertised).
3. With respect to any advertising of the Company's Products other than Cooperative Advertising, the Company may suggest the price at which its Products will be advertised, and any such suggestion will be considered a suggested resale price within the meaning of paragraph number (1) above.
4. This letter is not intended to affect or supersede any policies, practices or guidelines which the Company has established or may in the future establish with respect to any terms or conditions of sale or resale of its Products not specifically referenced in this letter.

If you have any questions regarding the contents of this letter, please contact the undersigned by phone, mail or email as specified below.

[Signed]

Distribution Plan

Pursuant to Paragraph 4(b) of the Settlement Agreement (and incorporating the defined terms used in that Agreement), the following sets forth the anticipated logistics for the distribution of Department Store Cosmetics to members of the Settlement Class:

1. **Best Efforts:** Settling Defendants shall use their best efforts to distribute Department Store Cosmetics Products ("Product") to the Class Members in accordance with the terms of the Settlement Agreement and this Distribution Plan.

2. **Product:** Each Manufacturer Defendant shall contribute Product based on its share of Department Store Cosmetics sales. Each Manufacturer Defendant shall choose the product(s) and the brand(s) to be distributed as Product, and the Product will have an approximate retail value of \$18-25 per unit. There is no requirement that all brands manufactured, distributed and/or sold by the Defendants be represented in the Products selected for distribution pursuant to the Settlement. The Product contributed by each Manufacturer Defendant may be from its existing stock or specially manufactured for the purpose of distribution pursuant to this Settlement but may not be from a Department Store Defendant's existing inventory.

3. **Distribution of Product among Department Store Defendants:** The Product contributed by each Manufacturer Defendant shall be distributed among the Department Store Defendants so as to approximate the percentage of that Manufacturer Defendant's sales of Department Store Cosmetics sold through that Department Store Defendant as of the most recent, full calendar year.

4. **Department Store Defendant Distribution of Product among Stores:** In order to allow for logistical considerations, Product from each Manufacturer Defendant may be allocated by each Department Store Defendant among its stores in any manner consistent with this plan subject to agreement by the corresponding Manufacturer Defendant. A Department Store Defendant shall be under no obligation to distribute a Manufacturer Defendant's Product at a store that does not sell, at the time of the distribution, that particular brand of Product.

5. **Distribution Location within Stores:** At each store at which a Manufacturer Defendant's Product is being distributed by a Department Store Defendant, the place(s) of distribution within that store of each Manufacturer Defendant's Product shall be decided jointly by the Manufacturer Defendant and the Department Store Defendant.

6. **Timing of Distribution:** The Product shall be distributed over a one week period (seven consecutive days) and shall commence within eighteen months following the expiration of the period of time provided in the Federal Rules of Civil Procedure for appeal of the final judgment entered in the case ("Distribution Period"). The Distribution Period shall commence in January unless all defendants agree to a different period.

7. **Publication:** The availability of Product for distribution to the settlement class members shall be announced approximately not more than three weeks nor less than one week in advance of the Distribution Period. The announcement shall appear once in the same publications as those used to publish preliminary notice of the class settlement, and any

defendant is free to publish supplemental announcements of its own Product give-away program in more publications or other media if that defendant so desires, at its own expense. If for any reason a publication used for class notice is unavailable or impractical for purposes of announcing Product availability, defendants may substitute another publication providing similar distribution. Responsibility for publication of the product distribution notice shall be apportioned among the Settling Defendants in the same manner as responsibility for the notice of settlement under Paragraph 9 of the Settlement Agreement.

8. Consumer Certification: Class members requesting Product during the Distribution Period shall be requested, in a manner to be determined by the Settling Defendants, to certify that they have previously purchased Department Store Cosmetics and have not previously recovered under that particular Manufacturer Defendant's Product give-away program contained in this Distribution Plan.

9. Excess Product: If for any reason all Product is not distributed during the Distribution Period, the Department Store Defendants shall return the remaining Product to the Manufacturer Defendant which supplied it, and the Manufacturer Defendant shall distribute such remaining Product to appropriate charitable organizations.

10. No Refunds or Returns: Under no circumstances shall any Department Store Defendant accept the return of any Product, whether the return be presented for refund, credit or exchange. Manufacturer Defendants and Department Store Defendants shall mark, package or configure Product to facilitate the identification of an item as Product that may not be returned.

11. Certification: Seventy-five days after the commencement of the Distribution Period, each Manufacturer Defendant shall provide a certification to Plaintiffs' Counsel that it has distributed to the Department Store Defendants Product in conformity with the provisions of Paragraphs 2 and 3 above, and each Department Store Defendant shall provide a certification to Plaintiffs' Counsel that it has distributed to Class Members, or otherwise properly disposed of, all Product provided to it by any Manufacturer Defendant in conformity with the provisions of Paragraphs 4 through 9 above.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want to be a member of the class, or if you want to be able to start your own suit or be part of a different lawsuit against the defendants raising the claims involved in this lawsuit, then you must take steps to get out of the Class. This is called "excluding yourself" and sometimes is referred to as "opting out" of the Class.

11. How do I get out of the Settlement?

To exclude yourself, you must send a letter by first-class mail clearly stating that you want to be excluded from *Azizian, et al. v. Federated Department Stores, Inc., et al.* Be sure to include your name, address, telephone number and signature. The name and address of your attorney is not sufficient. You must mail your exclusion request postmarked no later than _____, 2003, to:

Cosmetics Antitrust Litigation Settlement Administrator
[address]
[city], [state] [zip].

You cannot exclude yourself on the phone or by email. If you ask to be excluded, you will not be entitled to get any free Department Store Cosmetics, and you cannot object to the Settlement. Nor will you be legally bound by anything that happens in this lawsuit.

12. If I do not exclude myself, can I sue the defendants for the same thing later?

No. Unless you exclude yourself, you give up all of your rights against the defendants for the claims that are involved in this Settlement.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court has approved several law firms (called "Plaintiffs' Counsel") to collectively represent you. You will not be charged for the services of these attorneys in litigating this case for over five years and negotiating this Settlement. If you want to be represented by your own lawyer, you may hire one at your own expense.

14. How will the lawyers be paid?

The Court has not decided how much Plaintiffs' Counsel will be paid. Plaintiffs' Counsel may ask the Court for an award of their reasonable fees and expenses incurred in pursuing this case, and Defendants have agreed to pay an amount of no more than \$24 million. The Court may award less than that amount. You do not have to pay any fees and expenses that the Court may award. These fees and

QUESTIONS? CALL 1-800-____-____, TOLL-FREE, OR VISIT THE REST OF THE SETTLEMENT WEBSITE

costs will be paid separately by the defendants and will not come out of the value of the free Department Store Cosmetics to be distributed to the Class Members.

OBJECTING TO THE SETTLEMENT OR ATTORNEYS' FEES

15. If I do not like the Settlement or object to the attorneys' fees, how do I tell the Court?

If you are and choose to remain a Class Member, you can object to the Settlement if you do not like any part of it, or you may object to the request for attorneys' fees. You must give the reason why you think that the Court should not approve the Settlement or the requested attorneys' fees (i.e., a mere statement that "I object" will not be deemed sufficient). Do not contact the Court directly to object. Rather, you must send a written statement with your name, your address (just giving the address of an attorney who represents you is not sufficient), your telephone number, your signature and the reason why you object, and, if you are represented by a lawyer, the name, address and telephone number of that lawyer. You must mail your comments or objections and any supporting papers by first-class mail postmarked no later than _____, 2003 to the following address:

Cosmetics Antitrust Litigation Settlement Administrator
[address]
[city], [state] [zip].

Submitting an objection will not extend the time within which a class member may request exclusion from this Settlement.

16. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. If you object and the Court rejects your objection, you remain a member of the class and will be bound by any outcome of the case. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the Settlement and award attorneys' fees. You may, but do not have to, attend the hearing. You may speak at the hearing but only if you have submitted your comments or objections as provided in Paragraph 15, above.

17. When and where will the Court decide whether to approve the Settlement and attorneys' fees?

The Court will hold a hearing at _____ on _____, 2003, in the United States District Courthouse for the Northern District of California, Oakland Division, Oakland, California 94162, in Judge Armstrong's Courtroom, Room 3,

QUESTIONS? CALL 1-800-____-____, TOLL-FREE, OR VISIT THE REST OF THE SETTLEMENT WEBSITE

LIST OF PLAINTIFFS' COUNSEL

The following firms are hereby designated as "Plaintiffs' Counsel":

Law Offices of Francis O. Scarpulla
275 Battery Street, 28th Floor
San Francisco, CA 94111
Telephone: (415) 788-7210
Facsimile: (415) 788-0707

Milberg, Weiss, Bershad,
Hynes & Lerach, L.L.P.
401 B Street, Suite 1700
San Diego, CA 92101
Telephone: (619) 231-1058
Facsimile: (619) 231-7423

Critchlow & Diskint
938 B Street
San Rafael, CA 94901
Telephone: (415) 721-7900
Facsimile: (415) 256-9222

Janssen, Malloy, Needham, Morrison
Reinholtsen & Crowley, LLP
730 Fifth Street, Post Office Drawer 1288
Eureka, CA 95502
Telephone: (707) 445-2071
Facsimile: (707) 445-8305

Bramson Plutzik Mahler
& Birkhaeuser, LLP
2125 Oak Grove Road, Suite 120
Walnut Creek, CA 94598
Telephone: (925) 945-0200
Facsimile: (925) 945-8792

Kendrick & Nutley
468 North Camden Drive, Suite 200
Beverly Hills, CA 90210
Telephone: (310) 858-5571
Facsimile: (562) 439-7829

Lieff, Cabraser, Heimann & Bernstein, LLP
Embarcadero Center West
275 Battery Street, 30th Floor
San Francisco, CA 94111
Telephone: (415) 956-1000
Facsimile: (415) 956-1008

Law Offices of Gretchen M. Nelson
707 Wilshire Boulevard, Suite 5000
Los Angeles, CA 90017
Telephone: (213) 622-6469
Facsimile: (213) 622-6019

The Mogin Law Firm
110 Juniper Street
San Diego, CA 92101-1502
Telephone: (619) 687-6611
Facsimile: (619) 687-6610

Gross & Belsky, LLP
180 Montgomery Street, Suite 2200
San Francisco, CA 94104
Telephone: (415) 544-0200
Facsimile: (415) 544-0201

Law Offices of John W. Allured
One Maritime Plaza, Suite 1040
San Francisco, CA 94111
Telephone: (415) 675-2960
Facsimile: (415) 675-2961

The Law Firm of Joseph M. Alioto
555 California Street, 31st Floor
San Francisco, CA 94104
Telephone: (415) 434-8900
Facsimile: (415) 434-9200

Saveri & Saveri, Inc.
111 Pine Street, 17th Floor
San Francisco, CA 94111
Telephone: (415) 217-6810
Facsimile: (415) 217-6813

Cooper & Kirkham, P.C.
655 Montgomery Street, 17th Floor
San Francisco, CA 94111
Telephone: (415) 788-3030
Facsimile: (415) 882-7040

The Furth Firm
201 Sansome Street, Suite 1000
San Francisco, CA 94104
Telephone: (415) 433-2070
Facsimile: (415) 982-2076

Law Offices of John H. Boone
555 California Street, 31st Floor
San Francisco, CA 94104
Telephone: (415) 434-1133
Facsimile: (415) 434-9200

Zelle Hofmann Voelbel Mason
& Gette, LLP
44 Montgomery Street, Suite 3400
San Francisco, CA 94104
Telephone: (415) 693-0700
Facsimile: (415) 693-0770

Law Offices of John L. Burris
7677 Oakport, Suite 1120
Oakland, CA 94621
Telephone: (510) 839-5200
Facsimile: (510) 839-3882

The David Danis Law Firm, PC
8235 Forsyth Boulevard, Suite 1100
St. Louis, MO 63105
Telephone: (314) 725-7700
Facsimile: (314) 721-0905

GUIDO SAVERI (22349)
R. ALEXANDER SAVERI (173102)
LISA SAVERI (112043)
SAVERI & SAVERI, INC.
111 Pine Street, Suite 1700
San Francisco, CA 94111
Telephone: (415) 217-6810

WILLIAM BERNSTEIN (65200)
MICHELE C. JACKSON (90807)
LIEFF, CABRASER, HEIMANN & BERNSTEIN
Embarcadero Center West
275 Battery Street, 30th Floor
San Francisco, CA 94111
Telephone: (415) 956-1000

Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

Fatemah Azizian, <i>et al.</i> ,)	CIVIL NO. 3:03 CV-03359 SBA
)	
Plaintiffs,)	[PROPOSED] ORDER CONDITIONALLY
)	CERTIFYING SETTLEMENT CLASS;
v.)	GRANTING MOTION FOR
)	PRELIMINARY APPROVAL OF CLASS
Federated Department Stores, Inc., <i>et al.</i> ,)	ACTION SETTLEMENT, AND
)	SCHEDULING HEARING ON FINAL
Defendants.)	SETTLEMENT APPROVAL

WHEREAS, this Court has presided over certain of the proceedings in the above-captioned action (the "Class Action") and has reviewed all of the pleadings, records and papers on file herein; and

WHEREAS, this Court has been apprised of the proceedings in *In re Cosmetics Cases*, J.C.C.P. No. 4056, which has been proceeding in the Superior Court of the State of California, County of Marin (the "Superior Court") for over four years (the "Coordinated Actions"); and

1 WHEREAS, the plaintiffs have entered into a Settlement Agreement dated July 16, 2003
2 (which has been lodged with the Court) with the following entities, herein after collectively
3 referred to as "Settling Defendants," (a) Boucheron (USA) Ltd., Chanel, Inc., Christian Dior
4 Perfumes, Inc., Clarins U.S.A., Inc., Conopco, Inc., L'Oréal USA, Inc. (formerly known as
5 Cosmair, Inc.), The Estée Lauder Companies Inc., Guerlain, Inc., Parfums Givenchy, Inc.
6 (sometimes collectively referred to herein as the "Manufacturer Defendants"); and (b) Dillard's,
7 Inc., Federated Department Stores, Inc., Gottschalks Inc., The May Department Stores Company,
8 The Neiman Marcus Group, Inc., Nordstrom, Inc., Saks Incorporated and Target Corporation
9 (sometimes collectively referred to herein as the "Department Store Defendants"); and

10 WHEREAS, the Court has reviewed the Settlement Agreement together with the Exhibits
11 thereto, and has heard the attorneys for the parties with respect to the proposed settlement of this
12 action; and

13 WHEREAS, the Court has determined that inquiry should be made as to the fairness and
14 adequacy of this proposed settlement; and

15 WHEREAS, the Court has conducted a hearing respecting the reasonableness of
16 proceeding with this proposed settlement, and good cause appearing therefor, now finds and
17 orders as follows:

18 FINDINGS

19 1. The Court finds that the proposed settlement falls within the range of possible
20 approval and is sufficiently fair to warrant the dissemination of notice to the proposed class
21 members apprising them of the settlement, and finds that the proposed class, as defined in
22 Paragraph 12, below, is proper and should be certified for settlement purposes only.

23 2. Solely within the context of and for the purposes of settlement, the Court finds
24 that: (a) the members of the class are so numerous that joinder would be impractical; (b) there
25 are questions of law or fact which are common to the class, and those common questions
26
27

1 predominate over individual questions; (c) the Plaintiffs' claims are typical of the claims of the
2 absent members of the class; (d) Plaintiffs have and will fairly and adequately represent the
3 interests of the absent members of the class; and (e) this class action is superior to any other
4 available method for the fair and efficient adjudication of the controversy.

5 3. There is no evidence that any member of the class has an interest in filing a
6 separate action. Any putative class member will have the right to exclude himself or herself
7 from the class to pursue individual litigation, should he or she choose to do so. There is no other
8 case containing the same or similar allegations pending in any other court against these Settling
9 Defendants. It is desirable to maintain this litigation under the jurisdiction of this Court to
10 facilitate the parties' settlement agreement and resolve all of the claims of the proposed
11 Settlement Class.

12 4. As provided in the Settlement Agreement, each Settling Defendant retains the
13 right to withdraw from and terminate the settlement as to it if it concludes, in good faith, that the
14 number of class members who request exclusion is "substantial" (as that term is defined in the
15 Settlement Agreement). Plaintiffs also retain the right to withdraw from and terminate this
16 settlement if they conclude that the termination of this Agreement by one or more of the Settling
17 Defendants will "materially reduce" (as defined in the Settlement Agreement) the consideration
18 to be received by the class members.

19 5. The Superior Court appointed The Honorable Charles B. Renfrew as the
20 Discovery Referee, who conducted numerous hearings and made rulings on the scope and extent
21 of discovery.

22 6. The Superior Court appointed The Honorable Daniel Weinstein as a settlement
23 mediator, whose mediation efforts contributed to this settlement.

7. The proposed settlement is the product of arm's-length, serious, informed and non-collusive negotiations between experienced and knowledgeable counsel who have actively prosecuted and defended this litigation.

8. The Settlement Agreement is granted preliminary approval and incorporated herein by this reference, and has the full force and effect of an order of this Court.

9. A hearing is appropriate to consider whether this Court should grant final approval to this settlement, and to allow adequate time for members of the class, or their counsel, to support or oppose this settlement.

10. A hearing is also appropriate for this Court to determine the appropriate amount to be awarded to Plaintiffs' Counsel, as listed in Exhibit D to the Settlement Agreement, in attorneys' fees and costs, as well as "incentive awards" to the named Plaintiffs and to allow adequate time for Plaintiffs' Counsel to submit their application for attorneys' fees and costs, as well as for members of the class to support or oppose that application.

11. For purposes of this Order, the term "Department Store Cosmetic Products" means the full range of high-end, "prestige" or specialty beauty and cosmetic products and product lines (whether established, discontinued or new), including, but not limited to, color products, treatments and fragrances which are or were manufactured, distributed and/or sold by the Manufacturer Defendants or Department Store Defendants under various brand names during the Class Period, as defined in Paragraph 12 below. Department Store Cosmetic Products are sold primarily through traditional department and/or speciality stores ("Retail Stores"), including such stores owned or operated by the Department Store Defendants, who, in turn, sell such products to the Plaintiffs and members of the Settlement Class. The term "Department Store Cosmetics" excluded products and product lines sold principally through mass distribution channels.

1 GOOD CAUSE APPEARING THEREFORE, IT IS HEREBY ORDERED:

2 12. Solely within the context of and for purposes of holding a hearing to consider
3 whether this Court should grant final approval to the proposed settlement, this action is
4 determined to be properly maintained as a class action pursuant to Rule 23(b)(2) and (b)(3),
5 Federal Rules of Civil Procedure, with a class, for settlement purposes only, consisting of:

6 All persons who currently reside in the United States and who
7 purchased Department Store Cosmetic Products in the United
8 States, which products were manufactured, distributed and/or sold
9 by the Manufacturer Defendants or Department Store Defendants,
10 at any time during the period May 29, 1994 through July 16, 2003
11 (the "Class Period"). Excluded from this Settlement Class are all
employees, officers, directors or agents (including attorneys) of
any defendant, as well as any judge, justice or judicial officer
presiding over this matter, and each such person's immediate
family.

12 13. Two forms of notice: a Summary Notice of Class Certification and Settlement
13 ("Summary Notice") attached hereto as Exhibit A-1, and a Notice of Class Certification and
14 Settlement ("Notice"), attached hereto as Exhibit A-2, shall be given to the class.

15 14. Within 30 days after the Court orders Preliminary Approval, or as soon thereafter
16 as practicable, the Summary Notice shall be disseminated to the Class, substantially in the form
17 attached hereto as Exhibit A-1, by publication in the newspapers and periodicals listed in
18 Exhibit B. Such notice shall appear in either USA Weekend or Parade sections of such
19 newspapers. Such notice shall be published in a size no less than two-fifths (2/5) of a page.
20 Proof of dissemination of such Summary Notice shall be filed by Defendants' counsel prior to
21 the final approval hearing. The Notice, substantially in the form of Exhibit A-2, shall be posted
22 on the website established pursuant to Paragraph 15 below, and shall be mailed to any class
23 member who so requests. The expense of giving notice to the class members shall be paid by the
24 Settling Defendants. Dissemination of the Notice as provided above is hereby authorized and
25
26
27

1 approved, and satisfies the notice requirements of Rule 23(e), Federal Rules of Civil Procedure,
2 the Constitution of the United States, due process and any other applicable rule(s) of this Court.

3 15. The Settlement Administrator shall establish a website, which will contain the
4 Notice to Class Members. The Summary Notice and Notice shall contain the address of the
5 website, which shall remain available until one (1) year after the entry of the Court's order of
6 final approval of the settlement.

7 16. The Settlement Administrator shall establish a toll-free telephone number to
8 provide information to Class Members about the nature of the settlement. The Summary Notice
9 and Notice shall contain the toll-free telephone number.

10 17. Any member of the Class may request exclusion from the class by first class mail,
11 personally signed, and stating unequivocally that he/she wishes to be excluded from this class
12 action settlement. Any request for exclusion must be mailed, postmarked on or before [thirty-
13 five (35) days after deadline for publication of Notice], 2003, to:

14 Cosmetics Antitrust Litigation Settlement Administrator
15 P.O. Box [to be inserted]
[address to be inserted]

16 and referring, in the request for exclusion, to the name and number of this litigation, *Azizian, et*
17 *al. v. Federated Department Stores, Inc., et al.*, Docket No. 3:03 CV-03359. Such request shall
18 state the name and address of the member of the class requesting exclusion, and that such class
19 member elects to be excluded from this litigation. The class member must sign the request for
20 exclusion personally. Any class member who chooses to be excluded and who provides the
21 requested information will not be bound by any judgment entered in connection with this
22 settlement. Copies of any exclusions received by Plaintiffs' counsel pursuant to this paragraph
23 shall be served on counsel for Settling Defendants, as provided for in the Settlement Agreement,
24 and shall be filed with the Court by Plaintiffs' counsel before the date for the hearing on final
25 approval.

18. Any member of the class who does not elect to be excluded from this litigation may enter an appearance on their own behalf in this action through that class member's own attorney (at their own expense), but need not do so. Class members who do not enter an appearance through their own attorneys will be represented by the Plaintiffs as class representatives and their counsel, whose fees and costs will be paid as provided in the Settlement Agreement.

19. A final approval hearing pursuant to Rule 23(e), Federal Rules of Civil Procedure, will be held in the Courtroom of the undersigned on _____, 2003 at _____ a.m./p.m. in the United States District for the Northern District of California, Oakland Division, Courtroom 3, 3rd Floor, 1301 Clay Street, Oakland, California 94612, to determine whether the proposed settlement is fair, reasonable and adequate, and whether it should be finally approved by the Court and the claims against the Settling Defendants dismissed on the merits, with prejudice and without costs as to the Settling Defendants, except as provided in the Settlement Agreement. This hearing may be continued from time to time without further notice.

20. Briefs in support of final approval shall be filed on or before _____, 2003.

21. A hearing on attorneys' fees and costs to be awarded to Plaintiffs' Counsel will be held in the Courtroom of the undersigned on _____, 2003 at _____ a.m./p.m. in the United States District for the Northern District of California, Oakland Division, Courtroom 3, 3rd Floor, 1301 Clay Street, Oakland, California 94612. This hearing may be continued from time to time without further notice.

22. Plaintiffs' Counsel shall file any application for attorneys' fees and costs and for any "incentive awards" for the named Plaintiffs on or before _____, 2003.

23. Any member of the class who has not timely requested exclusion may appear at the final approval hearing and show cause why the Court should not approve this settlement, and

1 dismiss this action with prejudice as to the Settling Defendants, and may appear at the hearing to
2 support or oppose Plaintiffs' Counsel's application for attorneys' fees and expenses. For a
3 member of the class to have any objections considered, the class member must send a sworn
4 statement by first-class mail postmarked no later than _____, 2003, to:

5 Cosmetics Antitrust Litigation Settlement Administrator
6 P.O. Box [to be inserted]
 [address to be inserted].

7 This statement shall include: (1) the class member's complete name and residence or business
8 address (giving the address of any lawyer who represents the class member is not sufficient);
9 (2) that the class member purchased Department Store Cosmetic Products during the period May
10 29, 1994, through July 16, 2003; and (3) each ground for comment or objection and any
11 supporting papers the class member desires the Court to consider (*i.e.*, a mere statement that
12 "I object" shall not be deemed to be sufficient). The Settlement Administrator shall provide
13 copies of any objections received to counsel for the Plaintiffs and for the Settling Defendants.
14 Plaintiffs' Counsel shall file copies with the Court at least ten (10) days before the hearing on
15 final approval. The filing of any objection shall not extend the time within which a class member
16 may file a request for exclusion from the settlement.

17 24. In the event that, within ten (10) days after receipt of the list of class members
18 who have excluded themselves from the settlement, any Settling Defendant shall conclude in
19 good faith that the number of class members who have opted out of the Settlement Class is
20 substantial (as that term is defined in the Settlement Agreement), then said Settling Defendant
21 shall have the right, exercisable in its sole and absolute discretion, to withdraw from this
22 settlement, in which event the case will proceed as to any such withdrawing Settling Defendant.
23 This option shall be exercised, if at all, within the above-described period by service of written
24 notice of the election to terminate on Plaintiffs' Counsel and by filing a copy of such notice with
25 the Court. With respect to each Settling Defendant who timely withdraws, the Settlement
26
27

1 Agreement shall be terminated, canceled, null and void, as provided in the Settlement
2 Agreement.

3 25. In the event that Plaintiffs conclude in good faith that the withdrawal of any
4 Settling Defendant will "materially reduce" the consideration to be received by the Settlement
5 Class members (as that term is defined in the Settlement Agreement), then Plaintiffs shall have
6 the right, exercisable in their sole and absolute discretion, to withdraw from this settlement by
7 filing with the Federal Court and serving on Settling Defendants' counsel written notice of
8 withdrawal within four (4) days after receipt of any Settling Defendant's withdrawal. In the
9 event Plaintiffs timely withdraw, the Settlement Agreement shall be terminated, canceled, null
10 and void. If the Settling Defendants and/or Plaintiffs elect to withdraw from this Agreement, no
11 defendant will be reimbursed for any funds advanced to defray the costs of providing notice to
12 Class Members pursuant to Paragraph 13, above.

13 26. In the event the Settlement Agreement is terminated with respect to any and all
14 Settling Defendants, the Settlement Agreement and all matters leading up to or related to the
15 settlement are confidential settlement communications inadmissible under Federal Rules of
16 Evidence, Rule 408, or California Code of Evidence, Section 1152(a), and any and all other
17 applicable federal and state laws.

18
19 Dated: _____, 2003

The Honorable Sandra Brown Armstrong
United States District Court Judge
United States District Court for the
Northern District of California

Exhibits to this document:

A: A-1: Summary Notice (short-form notice)
A-2: Notice (long-form notice)

B: List of Publications

If You Purchased Certain Cosmetics or Fragrance Products at a Department Store from May 29, 1994 through July 16, 2003,

Your Rights Could Be Affected by a Proposed Class Action Settlement.

What is this Notice About?

A settlement has been proposed in a class action lawsuit that alleges that certain manufacturers of cosmetics and fragrance products and certain department stores that sell those products ("Defendants") violated the antitrust laws in connection with the pricing of these products.

Defendants deny any wrongdoing or illegal conduct but have agreed to settle the litigation.

What Cosmetics and Fragrance Products Are Included?

This lawsuit involves products ("Department Store Cosmetics"), which are the full range of high-end, "prestige" or specialty beauty and cosmetic products and product lines, including color products (such as foundation, eye shadow and lipsticks), treatments (such as skin creams and moisturizers) and fragrances. These products are manufactured, distributed and/or sold by the Defendants under various brand names. The settlement does not include cosmetics and fragrance products sold through mass distribution channels, such as drug stores and warehouse outlets.

Am I a Member of the Class?

You are a member of the Class if you are currently a resident of the United States who purchased Department Store Cosmetics in the United States, which products were made, distributed and/or sold by the Defendants during the period May 29, 1994 through July 16, 2003. Employees of any Defendant, as well as any judge or lawyer involved in this case, and each such person's immediate family members, are excluded from the class. You do not have to do anything to remain a member of the class.

What Benefits Does the Settlement Provide to Class Members?

Without admitting any wrongdoing or liability, Defendants have agreed to:

- Give to Class Members, free of charge, cosmetics and fragrance products having a total retail value of \$175 million;
- Enter into a court order that prohibits them from engaging in certain marketing practices, including agreements to fix, establish, control or maintain the retail price at which any department store defendant may offer for sale or sell any cosmetics or fragrance products; and

- Pay, on behalf of the Class, Plaintiffs' attorneys' fees and expenses in an amount to be determined by the Court, up to a maximum of \$24 million. Any fees and costs that may be awarded by the court shall not reduce the value of the cosmetics and fragrance products to be distributed to Class Members.

What Are My Options?

If you are a member of the Class and you do not want to be legally bound by the settlement, you must exclude yourself from the Class by sending a signed letter requesting exclusion to the Settlement Administrator, whose address is at the bottom of this Notice, postmarked by Month Date, 2003, or you will not be able to sue the Defendants for the same claims involved in this case.

If you do not exclude yourself from the class, you may object to the settlement or to the award of expenses and attorneys' fees by filing a written objection with the Settlement Administrator, postmarked by Month Date, 2003. You also have the right to hire a lawyer at your own expense to advise you about your rights under this proposed settlement.

Important Hearing Date

The Court will hold a hearing in this case on Month Date, 2003, to consider whether to approve the settlement and a request by the lawyers representing the Class for fees and expenses. You may but are not required to appear at this hearing.

If I Stay in the Class, How Do I Claim My Free Product?

While a Supplemental Notice of the distribution of free cosmetic products will be published in newspapers in major metropolitan areas, to assure that you will receive notice of when the free product will be available, you should register on the website below leaving your email address, or call the toll-free number and leave your name and address. Upon approval of the Settlement, you will be notified by email or postcard as to when you may claim your free product. The availability of free product under the Settlement will also be announced on the website below and on the toll-free number. Class Members may then go to their department store to claim their free product.

**For additional information, including covered brands and stores,
visit www.xxxxxxxx.com or call: 1-800-000-0000**

**Or write: Cosmetics Antitrust Litigation Settlement Administrator
[address], [city], [state] [zip].**

ATTENTION
LEGAL NOTICE
from
United States District Court for the Northern District of California
READ THIS NOTICE CAREFULLY

IF YOU PURCHASED CERTAIN COSMETICS OR FRAGRANCE PRODUCTS AT A DEPARTMENT STORE FROM MAY 29, 1994 THROUGH JULY 16, 2003, THEN YOUR RIGHTS COULD BE AFFECTED BY A PROPOSED CLASS ACTION SETTLEMENT.

- This is a proposed Settlement of a class action case involving "Department Store Cosmetics," which are defined for the purpose of this Settlement as the full range of high-end, "prestige" or specialty beauty and cosmetic products and product lines, including color products (such as foundation, eye shadow and lipsticks), treatments (such as skin creams and moisturizers) and fragrances. These products are manufactured, distributed and/or sold by the Defendants under various brand names. The Settlement does not include cosmetics and fragrance products sold through mass distribution channels, such as drug stores and warehouse outlets.
- The Settlement requires the defendants to: (1) enter into a court order that prohibits them from engaging in certain marketing practices, including agreements to fix, establish, control or maintain the retail price at which any department store may offer for sale or sell any cosmetics or fragrance products; (2) give to Class members, free of any charge, cosmetics and fragrance products having a total retail value of \$175 million; (3) pay, on behalf of the Class, plaintiffs' attorneys' fees and litigation costs in an amount to be determined by the Court, up to a maximum of \$24 million; and (4) pay all the costs of notifying the class about, and administering all aspects of, this Settlement, including distributing the free Department Store Cosmetics. Any fees and costs that may be awarded by the Court shall not reduce the value of the cosmetics and fragrance products to be distributed to the Class members.
- The names of the Defendants are listed in Paragraphs 6 and 7, below.
- Visit the Settlement website at www._____ for a list of cosmetics and fragrance products involved in this class action and the brand names of these products. You may also get this information by calling 1-800-____-____, or by writing to:

Cosmetics Antitrust Litigation Settlement Administrator
[address]
[city], [state] [zip]

QUESTIONS? CALL 1-800-____-____, TOLL-FREE, OR VISIT THE REST OF THE SETTLEMENT WEBSITE

OPTIONS	LEGAL RIGHTS
Remain a Class Member by Doing Nothing	If you do not exclude yourself from the Class you will be bound by any decision of the Court in this case, you will give up your rights against the Defendants in this case about the same legal claims as are in this case and you will be entitled to participate in the distribution of the Department Store Cosmetics.
Exclude Yourself	If you exclude yourself from the Settlement, you will not be bound by the Settlement or judgment and will not be entitled to get free products distributed pursuant to the Settlement. You will be free to pursue your claim against the Defendants. This is the only option that allows you ever to bring or be part of any other lawsuit against the defendants in this case about the same legal claims as are in this case.
Object	If you do not exclude yourself, you may write to the Court about why you do not like the Settlement or the request for legal fees and costs.
Hire Your own Lawyer	You may hire your own lawyer at your expense to advise you of your rights under this proposed Settlement.
Go to a Hearing	You may ask to speak in Court about the fairness of the Settlement or the request for fees and costs.

- These rights and options - **and the deadlines** to exercise them - are explained in this notice.
- The Court in charge of this case still has to decide whether to give final approval to the Settlement. The court order prohibiting the defendants from engaging in certain marketing and pricing practices will become effective only after the Court approves this Settlement and it becomes final. Likewise, free Department Store Cosmetics will be distributed only if the Court grants final approval to the Settlement and after any appeals are resolved.
- Please be patient. A Supplemental Notice will be published in approximately 50 newspapers in major metropolitan areas following settlement approval to alert class members when and where they may claim their settlement product. However, to assure that you will receive this information, you should provide your email and/or mailing address on the Settlement website or by calling the toll-free number in order to register to receive an email or postcard notification of the time and places of the settlement product give-away.

QUESTIONS? CALL 1-800-____-____, TOLL-FREE, OR VISIT THE REST OF THE SETTLEMENT WEBSITE

WHAT IS THIS NOTICE ABOUT?

1. Why has this notice been issued?

You have a right to know about a proposed Settlement of this class action lawsuit and about all of your options before the Court decides whether to give final approval to the Settlement.

This notice is being made available to everyone who purchased Department Store Cosmetics manufactured, distributed and/or sold by the Manufacturer Defendants or Department Store Defendants listed in paragraphs 6 and 7 below from May 29, 1994 through July 16, 2003. A more detailed description of the persons benefited by this Settlement is contained in the section below entitled "Who is in the Settlement?".

This notice explains the lawsuit, the Settlement, your legal rights, what benefits are obtained and who is eligible for and how to get the free products to be distributed to *Class Members*.

The Court in charge of the case is the United States District Court for the Northern District of California, and the case is known as *Azizian, et al. v. Federated Department Stores, Inc., et al.* Case No. 3:03CV03359. The people who brought the case are called plaintiffs, and the companies they sued are called defendants.

2. What is the lawsuit about?

A Settlement has been proposed in a class action lawsuit that alleges that certain manufacturers of Department Store Cosmetics and certain department stores that sell those products engaged in unlawful conduct in violation of the antitrust laws in connection with the pricing of those products.

The Settlement does not mean that the defendants admit that they have done anything wrong or illegal or that the Court has found that defendants violated the law. Indeed, defendants deny any wrongdoing or illegal conduct.

3. Why is this a class action?

In a class action, one or more person(s), called the Class Representative(s), sue on behalf of a group of people who have similar claims – the *Class Members*. One Court then resolves the issues for all *Class Members*, except for those who exclude themselves from the Class. U.S. District Court Judge Armstrong is in charge of this class action.

4. Why is there a Settlement?

QUESTIONS? CALL 1-800-____-____, TOLL-FREE, OR VISIT THE REST OF THE SETTLEMENT WEBSITE

Although the Court has not decided whether the claims in this lawsuit are correct, both sides have agreed to a Settlement. That way, both sides are able to avoid the risks and costs of a trial, the case can be resolved and the benefits of the Settlement can be made available to the Class Members. The Class Representatives and their attorneys think that the proposed Settlement is fair to the Class Members and the parties in the case and think that the terms of the Settlement are a reasonable and adequate resolution of this matter.

WHO IS INCLUDED IN THE SETTLEMENT?

5. How do I know if I am a Class Member?

You are a member of the class if you are currently a resident of the United States who purchased Department Store Cosmetics in the United States during the period May 29, 1994 through July 16, 2003, which products were made, distributed and/or sold by the Manufacturer Defendants or Department Store Defendants listed below. You are not a member of the class, even though you bought the covered products during the relevant time period, if you are an employee, officer, director, agent or attorney of any Defendant, or the judge presiding over this matter or a member of each such person's immediate family. You do not need to do anything at this time if you want to remain a Class Member.

6. Which cosmetics and fragrance manufacturers are defendants in this case (the "Manufacturer Defendants")?

Boucheron (USA) Ltd., Chanel, Inc., Christian Dior Perfumes, Inc., Clarins U.S.A., Inc., Conopco, Inc., The Estée Lauder Companies Inc., Guerlain, Inc., L'Oréal USA, Inc. (formerly known as Cosmair, Inc.) and Parfums Givenchy, Inc.

The brand names of the products manufactured, distributed and/or sold by these Manufacturer Defendants include:

Boucheron, Sonia Rykiel, Christian Lacroix, Paul Smith, Issey Miyake, Jean Paul Gaultier; Chanel Colour, Precision Skincare, Chanel No. 1 Collection, Chanel Le Corps Actif, Allure, Chanel No. 5, Chanel No. 19, Chanel No. 22, Coco, Coco Mademoiselle, Chance, Allure for Men, Platinum Egoiste, Cristalle, Egoiste, Pour Monsieur, Technique Pour Homme, Anateus Pour Homme; Christian Dior Perfumes; Clarins, Thierry Mugler, Azzarò Paris; Calvin Klein, Obsession, Eternity, Escape, CK One, CK Be, Calvin Klein Color, Contradiction, Truth Calvin Klein, Calvin, Crave, Latitude Longitude, BCBGirls, Vera Wang, Chloe, Narcisse, Karl Lagerfeld, Lagerfeld Classic, Lagerfeld Man, Lagerfeld Woman, Lagerfeld Jako, KL, Photo, Sun Moon Stars,

QUESTIONS? CALL 1-800-____-____, TOLL-FREE, OR VISIT THE REST OF THE SETTLEMENT WEBSITE

Cerruti (or Nino Cerruti), Cerruti 1881, Cerruti Image, Cerruti 1881 Amber, Valentino, Very Valentino, Valentino Gold, Vendetta, Elizabeth Arden, 5th Avenue, Blue Grass, Red Door, Sunflowers, True Love, Elizabeth Taylor Black Pearls, Elizabeth Taylor Passion, White Diamonds, Jean Louis Scherrer, Indian Nights/Nuits Indiennes, Visible Difference, Ceramides, Millennium; Estée Lauder, Aramis, Clinique Laboratories, Inc., Prescriptives, Origins Natural Resources, M.A.C., La Mer, Bobby Brown Cosmetics, Tommy Hilfiger Toiletries, Donna Karan Cosmetics, Aveda, Stila Cosmetics, Jo Malone, Kate Spade Beauty, Laboratoires Darphin, Michael Kors Fragrances; Guerlain; Biotherm, Helena Rubenstein, Kiehl's Since 1851, Lancôme, Shu Uemura, the Designer Fragrances, including Cacharelle, Giorgio Armani, Guy Laroche, Paloma Picasso, and Ralph Lauren; and Parfums Givenchy.

7. Which department stores/retailers are defendants in this case (the "Department Store Defendants")?

Dillard's, Inc., Federated Department Stores, Inc., Gottschalks Inc., The May Department Stores Company, The Neiman Marcus Group, Inc., Nordstrom, Inc., Saks Incorporated and Target Corporation.

The names of the Department Store Defendants' stores include:

Dillard's, Maison Blanche, Gayfers, J.B. White, Castner Knott, Bacons, McAlpin's, Lion, Root's, The Jones Store Company, Joslins, Hennessy's, de Lendrecie's, Glass Block; Macy's East, Jordan Marsh, Macy's West, Bullock's, Rich's, Lazarus, Goldsmith's, Burdines, Bloomingdale's, The Bon Marche, Stern's, Broadway, Emporium, Weinstock's, Abraham & Strauss; Gottschalks, Gottschalks Inc. Harris-Gottschalks; Filene's, Kaufmann's, Lord & Taylor, Hecht's, Strawbridge's, Famous-Barr, The Jones Store, Foley's, Robinsons-May, Meier & Frank; Neiman Marcus, Bergdorf Goodman, Neiman Marcus Direct, Neiman Marcus Online; Nordstrom, Nordstrom Rack, Façonnable; Saks Fifth Avenue, Parisian, Proffitt's, McRae's, Younkers, Herberger's, Carson Pirie Scott, Bergner's, Boston Store; Hudson's, Dayton's, Marshall Field's and Target.

8. What if I still do not know whether I am included in the proposed Settlement class?

If you are still not sure whether you are included in the class, call 1-800-____-____ or write to:

QUESTIONS? CALL 1-800-____-____, TOLL-FREE, OR VISIT THE REST OF THE SETTLEMENT WEBSITE

Cosmetics Antitrust Litigation Settlement Administrator
[address]
[city], [state] [zip].

THE SETTLEMENT BENEFITS - WHAT YOU GET

9. What does the Settlement provide?

Defendants have agreed to:

- (a) Enter into a court order that prohibits them from engaging in certain marketing practices, including agreements to fix, establish, control or maintain the retail price at which any department store may offer for sale or sell any Department Store Cosmetics;
- (b) Give to Class Members, free of any charge, Department Store Cosmetics having a total retail value of \$175 million;
- (c) Pay, on behalf of the Class, plaintiffs' attorneys' fees and expenses in an amount to be determined by the Court, up to a maximum of \$24 million. Any fees and costs that may be awarded by the Court shall not reduce the value of the cosmetics and fragrance products to be distributed to the Class members; and
- (d) Pay all the expenses of notifying the class about, and administering all aspects of, this Settlement, and distributing the free cosmetics and fragrance products.

10. Will I receive anything from the Settlement?

If you are a current resident of the United States and you purchased Department Store Cosmetics in the United States during the period May 29, 1994 through July 16, 2003, which cosmetics were manufactured, distributed and/or sold by one of the Manufacturer Defendants or Department Store Defendants, you will be eligible to receive (subject to the cap set forth in paragraph 9(b) of this notice) on a "first-come, first-served" basis, free Department Store Cosmetics, with an approximate retail value of \$18 to \$25 per unit, that were manufactured and/or sold by one of the Manufacturer Defendants. You will not be required to purchase anything to get your free Department Store Cosmetics products. You will be able to request the free Department Store Cosmetics products at stores owned by the Department Store Defendants. A Supplemental Notice will be published in approximately 50 newspapers in major metropolitan areas following settlement approval to alert class members when and where they may claim their settlement product. However, to assure that you will receive this information, you should provide your email and/or mailing address on the Settlement website or by calling the toll-free number in order to register to receive an email or postcard notification of the time and places of the settlement product give-away

QUESTIONS? CALL 1-800-____-____, TOLL-FREE, OR VISIT THE REST OF THE SETTLEMENT WEBSITE

3rd Floor. At this hearing, Judge Armstrong will consider whether the Settlement is fair, reasonable and adequate and the amount of attorneys' fees and costs to be awarded. If there are any objections, the Court will consider them. After the hearing, the Court will issue its ruling. We do not know how long this process will take.

18. Do I have to come to the hearing?

No. Plaintiffs' Counsel will answer any questions the Court may have. However, you may come, at your own expense. If you sent a written objection, you do not have to come to Court to talk about it. As long as you properly submitted your written objection, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

19. May I speak at the hearing?

You will not be heard unless you have submitted your comments or objections as provided in Paragraph 15, above, and have stated in your submission that you wish to be heard.

You cannot speak at the hearing if you exclude yourself.

IF YOU TAKE NO ACTION

20. What happens if I do nothing at all?

If you take no action, your rights will be affected. You will be bound by the terms of the Settlement and you will be agreeing to a release of the claims which are contained in the Settlement Agreement.

21. What is the Release of Claims?

The Release of Claims in the Settlement Agreement describes the legal claims against the Defendants you have given up by staying in the Class (i.e., if you do not exclude yourself as described in Paragraph 11, above). The Released Claims include all claims, demands, causes of action, whether class, individual or otherwise in nature, damages whenever incurred, liabilities of any nature whatsoever, including costs, expenses, penalties and Attorneys' Fees, known or unknown, suspected or unsuspected, in law or equity, that could have been asserted against any of the Defendants or any of their related parties arising out of conduct from May 29, 1994 through July 16, 2003 by any Defendant concerning the pricing, marketing, distribution, promotion, advertising or sale of Department Store Cosmetic Products, and which arise under any federal or state antitrust, unfair competition, unfair practices, price discrimination, unitary pricing or trade practice law, or other similar law or regulation or common law. Released Claims do not include any other claim(s) that a Plaintiff or member of the Settlement

QUESTIONS? CALL 1-800-____-____, TOLL-FREE, OR VISIT THE REST OF THE SETTLEMENT WEBSITE

Class may have against one or more of the Defendants; for example, a personal injury or a product defect claim is not released. Released Claims also do not include any claim(s) that any member of the Settlement Class may have against any other manufacturer or retailer of Department Store Cosmetic Products other than the Settling Defendants.

GETTING MORE INFORMATION

22. Are there more details about the Settlement?

This notice merely summarizes the proposed Settlement. There are many more details in the Settlement Agreement.

23. How do I get more information about the Settlement?

You can get a copy of the Settlement Agreement on the Settlement website, www._____, or by calling 1-800-____-_____, toll-free, or by writing to Cosmetics Antitrust Litigation Settlement Administrator.

QUESTIONS? CALL 1-800-____-_____, TOLL-FREE, OR VISIT THE REST OF THE SETTLEMENT WEBSITE

LIST OF PUBLICATIONS

Exhibit G to Settlement Agreement

Magazines:

Parade

USA Weekend¹

Better Homes & Gardens

People

Reader's Digest

TV Guide

Newsweek

Cosmopolitan

In-Style

Redbook

Newspapers:

City

Newspaper

Atlanta

Journal Constitution

Baltimore

Sun

Boston

Globe

Herald

Chicago

Sun Times

Tribune

Cleveland

Plain Dealer

Dallas-Ft. Worth

Star Telegram

Morning News

Denver

Post

Detroit

Free Press

Houston

Chronicle

Indianapolis

Star News

¹ The Parade and USA Weekend magazines each appear in hundreds of newspapers nationwide. A list of the newspapers in which Parade and USA Weekend appear is attached to Exhibit G.

Los Angeles

Miami-Ft. Lauderdale

Minneapolis-St. Paul

New York

Orlando-Daytona Beach-Melbourne

Orange County

Philadelphia

Phoenix

Pittsburgh

Portland

Sacramento-Stockton-Modesto

Seattle-Tacoma

San Francisco-Oakland-San Jose

St. Louis

Tampa-St. Petersburg

Washington

Newspaper Group

Times

Miami Herald

Fort Lauderdale Sun Sentinel

Minneapolis Star Tribune

Saint Paul Pioneer Press

Newark Star Ledger

Daily News

Post

Times

Orlando Sentinel

Register

Inquirer

Arizona Republic

Post-Gazette

Oregonian

Sacramento Bee

Seattle Times/Post Intelligencer

Alameda Newspaper Group

Contra Costa Newspaper Group

San Francisco Chronicle

San Jose Mercury News

Post-Dispatch

Tampa Tribune

Saint Petersburg Times

Washington Post

PARADE and USA WEEKEND Publications (sorted by state)

STATE	COUNTY	NEWSPAPER
Alabama	Mobile	Mobile Register
	Anniston	The Anniston Star
	Birmingham	The Birmingham News
	Talladega	The Daily Home
	Gadsden	The Gadsden Times
	Huntsville	The Huntsville Times
	Alexander City	The Outlook
	Tuscaloosa	The Tuscaloosa News
	Florence/Sheffield	Times Daily
	Jasper	Daily Mountain Eagle
	Opelika	Opelika-Auburn News
	Decatur	The Decatur Daily
	Dothan	The Dothan Eagle
	Gadsden	The Gadsden Times
	Montgomery	The Montgomery Advertiser
	Selma	The Selma Times-Journal
Alaska	Anchorage	Anchorage Daily News
	Fairbanks	Fairbanks Daily News-Miner
Arizona	Tucson	Arizona Daily Star
	Flagstaff	Arizona Daily Sun
	Yuma	The Sun
	Mesa/Tempe	The Tribune
	Tucson	Arizona Daily Star
	Casa Grande	Casa Grande Dispatch
	Sun City	Daily News-Sun
	Bullhead City	Mohave Valley Daily News
	Sierra Vista	Sierra Vista Herald
	Phoenix	The Arizona Republic
	Prescott	The Daily Courier
	Douglas	The Daily Dispatch
	Kingman	The Kingman Daily Miner
	Lake Havasu City	Today's News-Herald
Arkansas	Little Rock	Arkansas Democrat Gazette
	Bentonville	Benton County Daily Record
	Fayetteville	Northwest Arkansas Times
	Blytheville	Blytheville Courier News
	El Dorado	El Dorado News-Times
	Harrison	Harrison Daily Times
	Conway	Log Cabin Democrat
	Pine Bluff	Pine Bluff Commercial
	Fort Smith	Southwest Times Record
	Mountain Home	The Baxter Bulletin
	Benton	The Benton Courier

STATE**COUNTY****NEWSPAPER**

California

Russellville	The Courier
Searcy	The Daily Citizen
Jonesboro	The Jonesboro Sun
Springdale	The Morning News
Paragould	The Paragould Daily Press
Hot Springs	The Sentinel-Record
Los Angeles	Los Angeles Times
Monterey	Monterey County/The Herald
Oceanside/Escondido	North County Times
Redding	Record Searchlight
San Francisco	San Francisco Chronicle
San Jose	San Jose Mercury News
Bakersfield	The Bakersfield Californian
Fresno	The Fresno Bee
Modesto	The Modesto Bee
Santa Ana	The Orange County Register
Santa Rosa	The Press Democrat
Riverside	The Press-Enterprise
Stockton	The Record
Sacramento	The Sacramento Bee
San Diego	The San Diego Union-Tribune
Walnut Creek	The Sunday Times
San Luis Obispo	The Tribune
Ventura	Ventura County Star
Palmdale	Antelope Valley Press
Marysville	Appeal-Democrat
Vallejo	Benecia Herald
Benicia	Bcnicia Hcrald
Chico	Chico Enterprise-Record
Red Bluff	Daily News
Woodland Hills	Daily News
Fairfield	Daily Republic
Barstow	Desert Dispatch
El Centro	Imperial Valley Press
Ontario	Inland Valley Daily Bulletin
Lakeport	Lake County Record-Bee
Lodi	Lodi News-Sentinel
Madera	Madera Tribune
Marin County	Marin County Rafael
Merced	Merced Sun-Star
Oroville	Mercury-Register
Santa Barbara	News-Press
Victorville	Press-Dispatch
Porterville	Recorder

STATE	COUNTY	NEWSPAPER
	Watsonville	Register-Pajaronian
	San Bernardino	San Bernardino County Sun
	San Gabriel	San Gabriel Valley Tribune
	San Mateo	San Mateo County Times
	Santa Cruz	Santa Cruz County Sentinel
	Santa Maria	Santa Maria Times
	San Francisco	Sunday SF Chronicle
	Fremont	<i>The Argus</i>
	Auburn	The Auburn Journal
	Salinas	The Californian
	Torrance	The Daily Breeze
	Woodland	The Daily Democrat
	Hayward	The Daily Review
	Davis	The Davis Enterprise
	Palm Springs	The Desert Sun
	Hanford	The Hanford Sentinel
	Lompoc	The Lompoc Record
	Napa	The Napa Valley Register
	Oakland	The Oakland Tribune
	Santa Rosa	The Press Democrat
	Redlands	<i>The Redlands Facts</i>
	Sacramento	The Sacramento Bee
	Eureka	Times-Standard
	Pleasanton	Tri-Valley Herald
	Tulare	Tulare Advance-Register
	Turlock	Turlock Journal
	Ukiah	Ukiah Daily Journal
	Visalia	Visalia Times-Delta
Colorado	Glenwood Springs	<i>Glenwood Springs Post Independent</i>
	Boulder	Sunday Camera
	Grand Junction	The Daily Sentinel
	Denver	The Denver Post & Rocky Mountain News
	<i>Colorado Springs</i>	<i>The Gazette</i>
	Pueblo	The Sunday Chieftain
	Durango	Durango Herald
	Fort Collins	Fort Collins Coloradoan
	Greeley	Greeley Tribune
	Denver	The Denver Post
	Montrose	The Montrose Daily Press
Connecticut	Stamford	The Advocate and Greenwich Time
	New London	<i>The Day</i>
	Hartford	The Hartford Courant
	Danbury	The News-Times

STATE	COUNTY	NEWSPAPER
Delaware	Waterbury	The Sunday Republican
	Bridgeport	Connecticut Post
	Manchester	Journal Inquirer
	New Haven	New Haven Register
	Norwich	Norwich Bulletin
	Meriden	Record-Journal
	New Britain	The Herald Press
	Norwalk	The Hour
	Torrington	The Register Citizen
	Dover	State News Sunday
District of Columbia	Wilmington	The News Journal
	Washington	The Washington Post
Florida	Washington, DC	The Washington Times
	Miami(EL)	El Nuevo Herald
	Sarasota	Herald Tribune
	Lake City	Lake City Reporter
	Naples	Naples Daily News
	Ft. Walton Beach	Northwest Florida Daily News
	Orlando	Orlando Sentinel
	St. Petersburg	St. Petersburg Times
	Ocala	Star-Banner
	Tallahassee	Tallahassee Democrat
	Gainesville	The Gainesville Sun
	Miami	The Herald
	Lakeland	The Ledger
	Stuart	The News
	West Palm Beach	The Palm Beach Post
	Tampa	The Tampa Tribune
	Boca Raton	Boca Raton News
	Bradenton	Bradenton Herald
	Crystal River	Citrus County Chronicle
	Daytona Beach	Daytona Beach News-Journal
	Melbourne	Florida Today
	Brooksville	Hernando Today
	Sebring	Highlands Today
	Marianna	Jackson County Floridian
	Winter Haven	News Chief
	Fort Myers	News-Press
	Pensacola	Pensacola News Journal
	Charlotte Harbor	Sun Herald
	Fort Lauderdale	Sun-Sentinel
	Leesburg	The Daily Commercial
	Jacksonville	The Florida Times Union
	Key West	The Key West Citizen

STATE	COUNTY	NEWSPAPER
Georgia	Panama City	The News Herald
	St. Augustine	The St. Augustine Record
	Columbus	Ledger-Enquirer
	Statesboro	Statesboro Herald
	Atlanta	The Atlanta Journal-Constitution
	Macon	The Macon
	Americus	Americus Times-Recorder
	Athens	Athens Herald Banner
	Brunswick	Brunswick News
	Canton	Cherokee Tribune
	Jonesboro	Clayton News
	Cordele	Cordele Dispatch
	Douglasville	Douglas County Sentinel
	Griffin	Griffin Daily News
	Lawrenceville	Gwinnett Daily Post
	LaGrange	LaGrange Daily News
	Marietta	Marietta Daily Journal
	Rome	Rome News-Tribune
	Savannah	Savannah Morning News
	Statesboro	Statesboro Herald
	Albany	The Albany Herald
	Augusta	The Augusta Chronicle
	Dublin	The Courier Herald
	Dalton	The Daily Citizen-News
	Cartersville	The Daily Tribune News
	Moultrie	The Observer
	Conyers	The Rockdale Citizen
	Warner Robins	The Sunday Sun
	Tifton	The Tifton Gazette
	Gainesville	The Times
	Newnan	The Times-Herald
	Milledgeville	The Union-Recorder
	Valdosta	The Valdosta Daily Times
	Thomasville	Thomasville Times-Enterprise
	Carrollton	Times-Georgian
Hawaii	Honolulu	Star-Bulletin
	Wailuku	The Maui News
	Hilo	Hawaii Tribune-Herald
	Lihue	The Garden Island
	Honolulu	The Honolulu Advertiser
Idaho	Kailua-Kona	West Hawaii Today
	Nampa/Caldwell	Idaho Press-Tribune
	Pocatello	Idaho State Journal
	Lewiston/Clarkson	Lewiston Morning Tribune

STATE	COUNTY	NEWSPAPER
Illinois	Idaho Falls	Post Register
	Twin Falls	The Times-News
	Coeur d'Alene	North Idaho Sunday
	Boise	The Idaho Statesman
	Belleville	Belleville News-Democrat
	Chicago	Chicago Tribune
	Danville	Commercial-News
	Decatur	Herald & Review
	Peoria	Journal Star
	Centralia	Morning Sentinel
	Carbondale	Southern Illinoisan
	Freeport	The Journal-Standard
	Champaign/Urbana	The News-Gazette
	Bloomington	The Pantagraph
	Quincy	The Quincy Herald-Whig
	Springfield	The State Journal-Register
	Benton	Benton News
	Chicago	Chicago Sun-Times
	DeKalb	Daily Chronicle
	Tinley Park	Daily Southtown
	Tinley Park	Daily Southtown
	Du Quoin	Du Quoin Call
	Eldorado	Eldorado Daily Journal
	Jacksonville	Jacksonville Journal-Courier
	Macomb	Macomb Journal
	La Salle	News-Tribune
	Mount Vernon	Register-News
	Rockford	Rockford Register Star
	Aurora	The Beacon News
	Elgin	The Courier News
	West Frankfort	The Daily American
	Sterling	The Daily Gazette
	Arlington Heights	The Daily Herald
	Kankakee	The Daily Journal
	Pontiac	The Daily Leader
	Harrisburg	The Daily Register
	Moline	The Dispatch
	Joliet	The Herald News
	Marion	The Marion Daily Republican
	Waukegan	The News Sun
	Crystal Lake	The Northwest Herald
	Galesburg	The Register-Mail
	Rock Island	The Rock Island Argus
	Alton	The Telegraph

STATE	COUNTY	NEWSPAPER
Indiana	Evansville	Evansville Courier & Press
	Bloomington/Bedford	Hoosier Times
	Kokomo	Kokomo Tribune
	Logansport	Pharos-Tribune
	South Bend	South Bend Tribune
	Anderson	The Herald Bulletin
	Fort Wayne	The Journal Gazette
	Munster/Lake Co/Valp	The Times
	New Albany	The Tribune
	Terre Haute	Tribune-Star
	Greencastle	Banner-Graphic
	Marion	Chronicle-Tribune
	Franklin	Daily Journal
	Noblesville	Daily Ledger
	Greenfield	Daily Reporter
	Decatur	Decatur Daily Democrat
	Lafayette	Journal and Courier
	Crawfordsville	Journal Review
	Monticello	Monticello Herald Journal
	Bluffton	News-Banner
	Richmond	Palladium-Item
	New Castle	The Courier Times
	Elkhart	The Elkhart Truth
	Auburn	The Evening Star
	Indianapolis	The Indianapolis Star
	Kendallville	The Kendallville News-Sun
	Michigan City	The News Dispatch
	Fort Wayne	The News-Sentinel
	Peru	The Peru Tribune
	Columbia City	The Post & Mail
	Columbus	The Republic
	Shelbyville	The Shelbyville News
	Muncie	The Star Press
	Frankfort	The Times
	Seymour	The Tribune
	Vincennes	Vincennes Sun Commercial
	Wabash	Wabash Plain Dealer
Iowa	Mason City	Globe Gazette
	Davenport	Quad-City Times
	Cedar Rapids	The Gazette
	Burlington	The Hawk Eye
	Ford Dodge	The Messenger
	Ames	The Tribune
	Marshalltown	Times-Republican

STATE	COUNTY	NEWSPAPER
Kansas	Waterloo	Waterloo Cedar Falls Courier
	Clinton	Clinton Herald
	Iowa City	Iowa City Press-Citizen
	Sioux City	Sioux City Journal
	Dubuque	Telegraph Herald
	Council Bluffs	The Daily Nonpareil
	Des Moines	The Des Moines Register
	Manhattan	Manhattan Mercury
	Wichita	The Wichita Eagle
	Arkansas City	Arkansas City Traveler
	Dodge City	Dodge City Daily Globe
	Garden City	Garden City Telegram
	Lawrence	Journal-World
	Kansas City	Kansas City Kansan
	Hutchinson	The Hutchinson News
	Leavenworth	The Leavenworth Times
	Pittsburgh	The Morning Sun
	Newton	The Newton Kansan
	Olathe	The Olathe Daily News
Kentucky	Salina	The Salina Journal
	Topeka	The Topeka Capital Journal
	Somerset	Commonwealth Journal
	Bowling Green	Daily News
	Glasgow	Glasgow Daily Times
	Lexington	Lexington Herald-Leader
	Owensboro	Messenger-Inquirer
	Elizabethtown	The News Enterprise
	Ashland	The Sunday Independent
	Hopkinsville	Kentucky New Era
	Louisville	The Courier-Journal
	Henderson	The Gleaner
	Madisonville	The Messenger
	Paducah	The Paducah Sun
	Richmond	The Richmond Register
Louisiana	Lake Charles	American Press
	Baton Rouge	Baton Rouge Sunday Advocate
	Houma	The Courier
	Ruston	The Ruston Daily Leader
	New Orleans	The Times-Picayune
	Alexandria	Alexandria Town Talk
	Bogalusa	Daily News
	Lafayette	The Daily Advertiser
	New Iberia	The Daily Iberian
	Hammond	The Daily Star

STATE	COUNTY	NEWSPAPER
Maine	Opelousas	The Daily World
	Monroe	The News-Star
	Shreveport	The Times
	Portland	Maine Sunday Telegram
	Bangor	Bangor Daily News
	Waterville	Central Maine Morning Sentinel
	Biddeford	Journal-Tribune
	Augusta	Kennebec Journal
Maryland	Lewiston	Sunday Sun-Journal
	Hagerstown	The Herald Mail
	Baltimore	The Sun
	Westminster	Carroll County Times
	Rockville	Montgomery Journal
	Annapolis	The Capital
	Cumberland	The Cumberland Times-News
	Salisbury	The Daily Times
	Frederick	The Frederick Post/The News
	Lanham	The Prince George's Journal
Massachusetts	Easton	The Sunday Star
	Boston	Boston Sunday Globe
	Hyannis, Cape Cod	Sunday Cape Cod Times
	Springfield	Sunday Republican
	New Bedford	Sunday Standard-Times
	Worcester	Sunday Telegram
	Boston	Boston Herald
	Northampton	Daily Hampshire Gazette
	Salem	Essex County Newspapers
	Beverly	Gloucester Times
	Framingham	Metro West Daily News
	North Adams	North Adams Transcript
	Fitchburg	Sentinel and Enterprise
	Taunton	Taunton Daily Gazette
	Pittsfield	The Berkshire Eagle
	Beverly	The Daily News of Newburyport
	Newburyport	The Daily News of Newburyport
	North Andover	The Eagle Tribune
	Lawrence	The Eagle-Tribune
	Brockton	The Enterprise
	Fall River	The Herald News
	Quincy	The Patriot Ledger
	Greenfield	The Recorder
	Attleboro	The Sun Chronicle
	Lowell	The Sunday Sun
Michigan	Kalamazoo	Kalamazoo Gazette

STATE**COUNTY****NEWSPAPER**

Minnesota

Ann Arbor	The Ann Arbor News
Bay City	The Bay City Times
Muskegon	The Chronicle
Royal Oak	The Daily Tribune
Flint	The Flint Journal
Grand Rapids	The Grand Rapids Press
Jackson	The Jackson Citizen Patriot
Mount Clemens	The Macomb Daily
Marquette	The Mining Journal
Monroe	The Monroe Sunday News
Mount Pleasant	The Morning Sun
Pontiac	The Oakland Press
Saginaw	The Saginaw News
Traverse City	Traverse City Record-Eagle
Battle Creek	Battle Creek Inquirer
Cadillac	Cadillac Evening News
Hillsdale	Hillsdale Daily News
Lansing	Lansing State Journal
Midland	Midland Daily News
Mount Pleasant	Morning Sun
Petoskey	Petoskey News-Review
Owosso	The Argus-Press
Houghton	The Daily Mining Gazette
Greenville	The Daily News
Iron Mountain	The Daily News
Escanaba	The Daily Press
Adrian	The Daily Telegram
Detroit	The Detroit News and Free Press
Sault Ste Marie	The Evening News
St. Joseph	The Herald-Palladium
Holland	The Holland Sentinel
Bad Axe	The Huron Daily Tribune
Alpena	The News
Port Huron	Times Herald
Albert Lea	Albert Lea Tribune
Austin	Austin Daily Herald
Duluth	Duluth News Tribune
Faribault	Faribault Daily News
Owatonna	Owatonna People's Press
St. Paul	St. Paul Pioneer Press
Mankato	The Free Press
New Ulm	The Journal
Bemidji	The Pioneer
Winona	Winona Daily News

STATE	COUNTY	NEWSPAPER
Mississippi	Fergus Falls	Fergus Falls Daily Journal
	Virginia	Mesabi Daily News
	Rochester	Post-Bulletin
	St. Cloud	St. Cloud Times
	Minneapolis	Star Tribune
	Brainerd	The Brainerd Daily Dispatch
	Hibbing	The Daily Tribune
	McComb	Enterprise-Journal
	Laurel Ms	Laurel Leader-Call
	Tupelo	Northeast Mississippi Daily Journal
	Picayune	Picayune Item
	Columbus	The Commercial Dispatch
	Brookhaven	The Daily Leader
	Greenwood	The Greenwood Commonwealth
	Pascagoula	The Mississippi Press
	Biloxi/Gulfport	The Sun Herald
	Vicksburg	The Vicksburg Post
	Greenville	Delta Democrat Times
	Hattiesburg	Hattiesburg American
	Jackson	The Clarion-Ledger
	Corinth	The Daily Corinthian
	Meridian	The Meridian Star
	Natchez	The Natchez Democrat
	Biloxi	The Sun Herald
Missouri	Columbia	Columbia Missourian
	St. Joseph	St. Joseph News-Press
	St. Louis	St. Louis Post-Dispatch
	Joplin	The Joplin Globe
	Kansas City	The Kansas City Star
	Jefferson City	The Sunday News Tribune
	Columbia	Columbia Daily Tribune
	Poplar Bluff	Daily American Republic
	Dexter	Daily Statesman
	Hannibal	Hannibal Courier-Post
	Cape Girardeau	Southeast Missourian
	Springfield	Springfield News-Leader
	Sikeston	Standard Democrat
	Kennett	The Daily Dunklin Democrat
	Park Hills	The Daily Journal
	Independence	The Examiner
	Sedalia	The Sedalia Democrat
Montana	Billings	Billings Gazette
	Bozeman	Bozeman Daily Chronicle
	Kalispell	Daily Inter Lake

STATE	COUNTY	NEWSPAPER
Nebraska	Helena	Independent Record
	Missoula	Missoulian
	Butte	The Montana Standard
	Great Falls	Great Falls Tribune
	Scottsbluff	Star-Herald
	Omaha	Sunday World Herald
	North Platte	The North Platte Telegraph
	Beatrice	Beatrice Daily Sun
	Columbus	Columbus Telegram
	Fremont	Fremont Tribune
	Grand Island	Grand Island Independent
Nevada	Lincoln	Lincoln Journal Star
	York	York News-Times
	Las Vegas	Las Vegas Review-Journal & Las Vegas Sun
	Carson City	Nevada Appeal
	Sparks	Sparks Tribune
	Las Vegas	Las Vegas Review-Journal
	Reno	Reno Gazette-Journal
	Portsmouth	Herald Sunday
	Manchester	New Hampshire Sunday News
	Concord	Concord Monitor
	Dover	Foster's Daily Democrat
New Hampshire	Keene	The Keene Sentinel
	Nashua	The Telegraph
	Lebanon Hanover	Valley News
	Willingboro	Burlington County Times
	Newark	Sunday Star-Ledger
	Woodbury	The Gloucester County Times
	Bergen/Hackensack	The Record/Herald News
	Trenton	The Times
	Salem	Today's Sunbeam
	Neptune	Asbury Park Press
	Cherry Hill	Courier-Post
New Jersey	Morristown	Daily Record
	East Brunswick	Home News Tribune
	Newton	New Jersey Herald
	Toms River	Ocean County Observer
	Bridgewater	The Courier-News
	Jersey City	The Jersey Journal
	Atlantic City	The Press of Atlantic City
	Trenton	The Trentonian
	Alamogordo	Alamogordo Daily News
	Albuquerque	Albuquerque Journal
New Mexico		

STATE	COUNTY	NEWSPAPER
New York	Clovis	Clovis News Journal
	Hobbs	Hobbs News-Sun
	Portales	Portales News-Tribune
	Santa Fe	The Santa Fe New Mexican
	Albuquerque	Albuquerque Journal
	Carlsbad	Carlsbad Current-Argus
	Farmington	Daily Times
	Gallup	Gallup Independent
	Las Cruces	Las Cruces Sun-News
	Roswell	Roswell Daily Record
	Canandaigua	Daily Messenger
	Geneva	Finger Lakes Sunday Times
	Newsday/Melville	Newsday
	Plattsburgh	Press-Republican
	Staten Island	Staten Island Sunday Advance
	Albany	Sunday Times Union
	Buffalo	The Buffalo News
	Auburn	The Citizen
	Oneonta	The Daily Star
	Syracuse	The Post-Standard
	Corning	The Sunday Leader
	Middletown	The Times Herald Record
	Kingston	Daily Freeman
	New York	New York Daily News
	Niagara Falls	Niagara Sunday
	Dunkirk	Observer
	Utica	Observer-Dispatch
	Jamestown	Post-Journal
	Poughkeepsie	Poughkeepsie Journal
	Binghamton	Press & Sun-Bulletin
	Rochester	Rochester Democrat & Chronicle
	Elmira	Star-Gazette
	Schenectady	The Daily Gazette
	Ithaca	The Ithaca Journal
	White Plains	The Journal News
	Oswego	The Palladium-Times
	Glens Falls	The Post-Star
	Troy	The Record
	Saratoga Springs	The Saratogian
	Olean	The Times Herald
	Watertown	Watertown Daily Times
North Carolina	Greensboro	News & Record
	Rocky Mount	Rocky Mount Telegram
	Wilmington	Sunday Star-News

STATE	COUNTY	NEWSPAPER
North Dakota	Charlotte	The Charlotte Observer
	Elizabeth City	The Daily Advance
	Greenville	The Daily Reflector
	Fayetteville	The Fayetteville Observer
	Raleigh	The News & Observer
	Hendersonville	Times-News
	Winston-Salem	Winston-Salem Journal
	Asheville	Asheville Citizen-Times
	Henderson	Daily Dispatch
	Roanoke Rapids	Daily Herald
	Goldsboro	Goldsboro News-Argus
	High Point	High Point Enterprise
	Kannapolis	Independent Tribune
	Lenoir	Lenoir News-Topic
	Mount Airy	Mount Airy News
	Salisbury	Salisbury Post
	Statesville	Statesville Record & Landmark
	Forest City	The Daily Courier
	Eden	The Daily News
	Jacksonville	The Daily News
	Monroe	The Enquirer-Journal
	Kinston	The Free Press
	Gastonia	The Gaston Gazette
	Durham	The Herald-Sun
	Hickory	The Hickory Daily Record
	Morganton	The News-Herald
	Reidsville	The Reidsville Review
	Lumberton	The Robesonian
	Sanford	The Sanford Herald
	Shelby	The Shelby Star
	New Bern	The Sun Journal
	Wilson	The Wilson Daily Times
	Burlington	Times-News
	Washington	Washington Daily News
	Minot	Minot Daily News
	Dickinson	The Dickinson Press
	Fargo	The Forum
	Grand Forks	Grand Forks Herald
	Bismarck	The Bismarck Tribune
	Wahpeton	The Daily News
Ohio	Akron	Akron Beacon Journal
	Dayton	Dayton Daily News
	Hamilton	Journal-News
	Portsmouth	Portsmouth Daily Times

STATE**COUNTY****NEWSPAPER**

Salem	Salem News
Springfield	Springfield News-Sun
East Liverpool	Sunday Review
Toledo	The Blade
Elyria	The Chronicle-Telegram
Middletown	The Middletown Journal
Cleveland	The Plain Dealer
Cambridge	The Sunday Jeffersonian
New Philadelphia	The Times Reporter
Youngstown	The Vindicator
Chillicothe	Chillicothe Gazette
Greenville	Daily Advocate
Steubenville	Herald-Star
Lancaster	Lancaster Eagle-Gazette
Lisbon	Morning Journal
Mansfield	News Journal
Port Clinton	News-Herald
Norwalk	Norwalk Reflector
Piqua	Piqua Daily Call
Washington Court House	Record Herald
Sandusky	Sandusky Register
Gallipolis	Sunday Times-Sentinel
Bucyrus	Telegraph-Forum
Tiffin	The Advertiser-Tribune
Newark	The Advocate
Athens	The Athens Messenger
Bryan	The Bryan Times
Cincinnati	The Cincinnati Enquirer
Columbus	The Columbus Dispatch
Coshocton	The Coshocton Tribune
Findlay	The Courier
Defiance	The Crescent-News
Wooster	The Daily Record
Massillon	The Independent
Ironton	The Ironton Tribune
Hamilton	The Journal-News
Lima	The Lima News
Marietta	The Marietta Times
Marion	The Marion Star
Lorain	The Morning Journal
Willoughby	The News-Herald
Fremont	The News-Messenger
Portsmouth	The Portsmouth Daily Times
Canton	The Repository

STATE	COUNTY	NEWSPAPER
Oklahoma	Fostoria	The Review Times
	Martins Ferry	The Times Leader
	Dover-New Philadelphia	The Times Reporter
	Warren	The Tribune Chronicle
	Xenia	The Xenia Daily Gazette
	Zanesville	Times Recorder
	Oklahoma City	The Sunday Oklahoman
	Muskogee	Daily Phoenix & Times-Democrat
	Enid	Enid News & Eagle
	Bartlesville	Examiner-Enterprise
	McAlester	McAlester News-Capitol & Democrat
	Ardmore	The Daily Ardmoreite
	Stillwater	The News Press
	Norman	The Norman Transcript
	Shawnee	The Shawnee News-Star
	Lawton	The Sunday Constitution
	Tulsa	Tulsa World
Oregon	Ontario	Argus Observer
	Pendleton	East Oregonian
	Klamath Falls	Herald And News
	Medford	Mail Tribune
	Bend	The Bulletin
	Roseburg	The News-Review
	Eugene	The Register-Guard
	Portland	The Sunday Oregonian
	Albany	Mid Valley Sunday
	Salem	Statesman-Journal
	Coos Bay	The World
	Levittown/Bristol	Bucks County Courier Times
Pennsylvania	State College	Centre Daily Times
	Erie	Erie Times-News
	Uniontown	Herald-Standard
	Pittsburgh	Pittsburgh Post-Gazette
	Stroudsburg	Pocono Record
	Reading	Reading Eagle
	Lancaster	Sunday News
	Johnstown	Sunday Tribune-Democrat
	Sunbury	The Daily Item
	Doylestown	The Intelligencer Record
	Allentown	The Morning Call
	Harrisburg	The Patriot News
	Philadelphia	The Philadelphia Inquirer
	Towanda	The Sunday Review
	Scranton	The Sunday Times

STATE	COUNTY	NEWSPAPER
	Wilkes Barre	Times Leader
	Du Bois	Tri-County Sunday
	Williamsport	Williamsport Sun-Gazette
	Altoona	Altoona Mirror
	Beaver	Beaver County Times
	Butler	Butler Eagle
	Somerset	Daily American
	West Chester	Daily Local News
	Chester	Delaware County Daily Times
	New Castle	New Castle News
	Washington	Observer-Reporter
	Pottsville	Pottsville Republican
	Bloomsburg	Press Enterprise
	Chambersburg	Public Opinion
	Hazleton	Standard-Speaker
	Bradford	The Bradford Era
	Wilkes-Barre	The Citizens' Voice
	Lebanon	The Daily News
	McKeesport	The Daily News
	Hanover	The Evening Sun
	Easton	The Express-Times
	Sharon	The Herald
	Indiana	The Indiana Gazette
	Meadville	The Meadville Tribune
	Pottstown	The Mercury
	Phoenixville	The Phoenix
	Clearfield	The Progress
	Lansdale	The Reporter
	Carlisle	The Sentinel
	Lewiston	The Sentinel
	Norristown	The Times Herald
	York	The York Dispatch Sunday News
	Greensburg	Tribune-Review
	Pittsburgh	Tribune-Review
	Tarentum	Valley News Dispatch
	Warren	Warren Times-Observer
Rhode Island	Providence	The Providence Sunday Journal
	Woonsocket	The Call
	West Warwick	The Kent County Times
	Newport	The Newport Daily News
	Pawtucket	The Times
	Westerly	The Westerly Sun
South Carolina	Anderson	Anderson Independent-Mail
	Spartanburg	Herald-Journal

STATE	COUNTY	NEWSPAPER
South Dakota	Beaufort	The Beaufort Gazette
	Greenwood	The Index-Journal
	Hilton Head Island	The Island Packet
	Sumter	The Item
	Charleston	The Post And Courier
	Columbia	The State
	Myrtle Beach Sc	The Sun News
	Aiken	Aiken Standard
	Florence	Florence Morning News
	Beaufort	The Beaufort Gazette
	Greenville	The Greenville News-Piedmont
	Rock Hill	The Herald
	Bluffton	The Island Packet
	Huron	Plainsman
	Rapid City	Rapid City Journal
	Yankton Daily Press	319 Walnut St.
	Aberdeen	Aberdeen American News
	Sioux Falls	Argus Leader
	Chattanooga	Chattanooga Times/Chattanooga Free Press
Tennessee	Morristown	Citizen Tribune
	Cookeville	Herald-Citizen
	Johnson City	Johnson City Press
	Murfreesboro	Sunday News Journal
	Memphis	The Commercial Appeal
	Newport	The Newport Plain Talk
	Knoxville	The News-Sentinel
	Cleveland	Cleveland Daily Banner
	Kingsport	Kingsport Times-News
	Dyersburg	State Gazette
	Columbia	The Daily Herald
	Athens	The Daily Post-Athenian
	Maryville	The Daily Times
	Jackson	The Jackson Sun
	Clarksville	The Leaf-Chronicle
	Sevierville	The Mountain Press
	Oak Ridge	The Oak Ridger
	Nashville	The Tennessean
Texas	Abilene	Abilene Reporter-News
	Austin	Austin American-Statesman
	Brownwood	Brownwood Bulletin
	Corpus Christi	Corpus Christi Caller Times
	Del Rio	Del Rio News-Herald
	Fort Worth	Ft. Worth Star-Telegram

STATE	COUNTY	NEWSPAPER
	Houston	Houston Chronicle
	Kerrville	Kerrville Daily Times
	Longview	Longview News Journal
	Odessa	Odessa American
	San Antonio	San Antonio Express-News
	San Angelo	Standard Times
	Temple	Temple Daily Telegram
	Beaumont	The Beaumont Enterprise
	Brownsville	The Brownsville Herald
	Nacogdoches	The Dailey Sentinel
	Dallas	The Dallas Morning News
	Denison	The Denison Daily Post
	Lufkin	The Lufkin Daily News
	Marshall	The Marshall News Messenger
	McAllen	The Monitor
	Paris	The Paris News
	Victoria	The Victoria Advocate
	Wichita Falls	Times Record News
	Harlingen	Valley Morning Star
	Waco	Waco Tribune-Herald
	Amarillo	Amarillo Sunday News-Globe
	Arlington	Arlington Morning News
	Athens	Athens Daily Review
	Conroe	Conroe Courier
	Corsicana	Corsicana Daily Sun
	Denton	Denton Record-Chronicle
	El Paso	El Paso Times
	Greenville	Greenville Herald-Banner
	Sherman	Herald Democrat
	Killeen	Killeen Daily Herald
	Laredo	Laredo Times
	Lubbock	Lubbock Avalanche-Journal
	Plainview	Plainview Daily Herald
	Plano	Plano Star Courier
	Port Arthur	Port Arthur News
	Texarkana	Texarkana Gazette
	Texas City	Texas City Sun
	Baytown	The Baytown Sun
	Bryan	The Bryan-College Station Eagle
	Clute	The Facts
	Galveston	The Galveston County Daily News
	Midland	The Midland Reporter-Telegram
	Orange	The Orange Leader
Utah	Salt Lake City	Desert News

STATE	COUNTY	NEWSPAPER
Vermont	Logan	The Herald Journal
	Salt Lake City	The Salt Lake Tribune
	Ogden	Standard-Examiner
	Provo	The Daily Herald
	St. George	The Daily Spectrum
	Rutland/Barre	The Sunday Rutland Herald/And The Sunday Times Arg
	Bennington	Bennington Banner
	Brattleboro	Brattleboro Reformer
	Burlington	The Burlington Free Press
	Newport News/Hampton	Daily Press
Virginia	Martinsville	Martinsville Bulletin
	Richmond	Richmond Times-Dispatch
	Petersburg	The Progress-Index
	Roanoke	The Roanoke Times
	Norfolk	The Virginian-Pilot
	Bristol	Bristol Herald Courier
	Culpeper	Culpeper Star-Exponent
	Danville	Danville Register & Bee
	Bellevue	Eastside Journal
	Port Angeles	Peninsula Daily News
	Woodbridge	Potomac News
	Mount Vernon	Skagit Valley Herald
	Kent	South County Journal
	Suffolk	Suffolk News-Herald
	Alexandria	The Alexandria Journal
	Bellingham	The Bellingham Herald
	Vancouver	The Columbian
	Staunton	The Daily News Leader
	Charlottesville	The Daily Progress
	Aberdeen	The Daily World
	Fairfax	The Fairfax Journal
	Fredericksburg	The Free Lance-Star
	Everett	The Herald
	Lynchburg	The News & Advance
	Tacoma	The News Tribune
	Waynesboro	The News Virginian
	Olympia	The Olympian
	Bremerton	The Sun
	Wenatchee	The Wenatchee World
	Winchester	The Winchester Star
	Walla Walla	Walla Walla Union-Bulletin
Washington	Longview	The Daily News
	Seattle	The Seattle Times Seattle Post-

STATE	COUNTY	NEWSPAPER
West Virginia	Spokane	Intelligencer
	Pasco/Tri Cities	The Spokesman-Review
	Yakima	Tri-City Herald
	Clarksburg	Yakima Herald-Republic
	Charleston	Sunday Exponent Telegram
	Wheeling	Sunday Gazette-Mail
	Morgantown	Sunday News-Register
	Martinsburg	The Dominion Post
	Parkersburg	The Journal
	Fairmont	The Parkersburg News
	Williamson	Times-West Virginian
	Bluefield	Williamson Daily News
	Charleston	Bluefield Daily Telegraph
	Point Pleasant	Charleston Daily Mail
	Huntington	Point Pleasant Register
	Elkins	The Herald-Dispatch
	Beckley	The Inter-Mountain
	Kenosha	The Register-Herald
Wisconsin	La Crosse	Kenosha News
	Milwaukee	La Crosse Tribune
	Racine	Milwaukee Journal Sentinel
	Madison	The Journal Times
	Beaver Dam	Wisconsin State Journal
	Green Bay	Daily Citizen
	Manitowoc	Green Bay Press-Gazette
	Eau Claire	Herald Times Reporter
	Oshkosh	Leader-Telegram
	Stevens Point	Oshkosh Northwestern
	Rhineland	Post Crescent Central WI Sunday
	West Bend	The Daily News
	Superior	The Daily News
	Janesville	The Daily Telegram
	Monroe	The Janesville Gazette
	Appleton	The Monroe Times
	Fond Du Lac	The Post-Crescent
	Sheboygan	The Reporter
	Watertown	The Sheboygan Press
	Waukesha	Watertown Daily Times
	Wausau	Waukesha County Freeman
Wyoming	Rock Springs	Wausau Daily Herald
	Laramie	Daily Rocket-Miner
		Laramie Daily Boomerang

GUIDO SAVERI (22349)
R. ALEXANDER SAVERI (173102)
LISA SAVERI (112043)
SAVERI & SAVERI, INC.
111 Pine Street, Suite 1700
San Francisco, CA 94111
Telephone: (415) 217-6810

WILLIAM BERNSTEIN (65200)
MICHELE C. JACKSON (90807)
LIEFF, CABRASER, HEIMANN & BERNSTEIN
Embarcadero Center West
275 Battery Street, 30th Floor
San Francisco, CA 94111
Telephone: (415) 956-1000

Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

Fatemah Azizian, *et al.*,

Plaintiffs,

v.

Federated Department Stores, Inc., *et al.*,

Defendants.

CIVIL NO. 3:03 CV-03359 SBA

FINAL JUDGMENT

FINAL ORDER, JUDGMENT AND DECREE GRANTING FINAL APPROVAL TO THE CLASS ACTION SETTLEMENT WITH DEFENDANTS BOUCHERON (USA) LTD., CHANEL, INC., CHRISTIAN DIOR PERFUMES, INC., CLARINS U.S.A., INC., CONOPCO, INC., L'ORÉAL USA, INC. (FORMERLY KNOWN AS COSMAIR, INC.), THE ESTÉE LAUDER COMPANIES INC., GUERLAIN, INC., PARFUMS GIVENCHY, INC. (SOMETIMES COLLECTIVELY REFERRED TO HEREIN AS THE "MANUFACTURER DEFENDANTS"), DILLARD'S, INC., FEDERATED DEPARTMENT STORES, INC., GOTTSCHALKS INC., THE MAY DEPARTMENT STORES COMPANY, THE NEIMAN MARCUS GROUP, INC., NORDSTROM, INC., SAKS INCORPORATED AND TARGET CORPORATION (SOMETIMES COLLECTIVELY REFERRED TO HEREIN AS THE "DEPARTMENT STORE DEFENDANTS"), COLLECTIVELY REFERRED TO AS THE "SETTLING DEFENDANTS"

1 This matter is before this Court on the motion for final approval of this class action
2 settlement.

3 BY ORDER CONDITIONALLY CERTIFYING SETTLEMENT CLASS; GRANTING
4 MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT; AND
5 SCHEDULING HEARING ON FINAL SETTLEMENT APPROVAL, dated [to be inserted],
6 2003 ("Preliminary Approval Order"), this Court conditionally certified the settlement class
7 herein and granted preliminary approval to the proposed settlement. This Court also ordered that
8 notice of the settlement be published to the class members in accordance with the Preliminary
9 Approval Order.

10 In compliance with that order, notice was published to the members of the class on [to be
11 inserted], 2003, and posted on a dedicated website on [to be inserted], 2003.

12 On [to be inserted], 2003, the parties appeared at the final approval and fairness hearing
13 represented by their respective attorneys of record. An opportunity to be heard was given to all
14 persons requesting to be heard. This Court presided at the final approval and fairness hearing.
15 This Court has reviewed and considered all of the pleadings filed in connection therewith, all of
16 the presentations and evidence submitted at the hearing in support of the settlement, and the
17 submissions and arguments of objectors.

18 The proposed settlement having been duly noticed, and having been fully considered by
19 the Court,

20 IT IS HEREBY ADJUDGED, ORDERED AND DECREED that:

21 1. This Court has jurisdiction over the claims of the members of the class asserted in
22 this proceeding, personal jurisdiction over the settling parties (including all class members), and
23 subject matter jurisdiction to approve the settlement as set forth in the Settlement Agreement
24 previously filed with this Court.

1 2. The notice given to the members of the class was reasonably calculated under the
2 circumstances to apprise them of the pendency of this action, all material elements of the
3 proposed settlement, their opportunity to exclude themselves from, to object to, or to comment
4 on the settlement and to appear at the settlement hearing. The notice was reasonable and the best
5 notice practicable under the circumstances; was due, adequate and sufficient notice to all class
6 members; and complied fully with the laws of the United States and of the Federal Rules of Civil
7 Procedure, due process and any other applicable rules of court. A full opportunity has been
8 afforded to the members of the class to participate in this hearing, and all members of the class
9 and other persons wishing to be heard have been heard. Accordingly, the Court determines that
10 all members of the class who have not excluded themselves from this litigation, are bound by this
11 Judgment, Final Order and Decree.

12 3. [No.] members of the class requested to be excluded from this settlement, and a
13 list of each such class member is attached hereto as Exhibit 1. These individuals are hereby
14 found to have properly excluded themselves from the Settlement Class and this Judgment, Final
15 Order and Decree shall not binding on them.

16 4. On [to be inserted], 2003, this Court preliminarily approved certification of a
17 Settlement Class defined as:

18 All persons who currently reside in the United States and who
19 purchased Department Store Cosmetic Products in the United
20 States, which products were manufactured, distributed and/or sold
21 by the Manufacturer Defendants or Department Store Defendants,
22 at any time during the period May 29, 1994 through July 16, 2003
23 (the "Class Period"). Excluded from this Settlement Class are all
24 employees, officers, directors or agents (including attorneys) of
25 any defendant, as well as any judge, justice or judicial officer
26 presiding over this matter, and each such person's immediate
27 family ("Settlement Class").

5. For purposes of this settlement, the term "Department Store Cosmetic Products" means the full range of high-end, "prestige" or specialty beauty and cosmetic products and product lines (whether established, discontinued or new) including, but not limited to, color products, treatments and fragrances which are or were manufactured, distributed and/or sold by the Manufacturer Defendants or Department Store Defendants under various brand names during the Class Period. Department Store Cosmetic Products are sold primarily through traditional department and/or specialty stores ("Retail Stores"), including such stores owned or operated by the Department Store Defendants, who, in turn, sell such products to the Plaintiffs and members of the Settlement Class. The term "Department Store Cosmetics" excludes products and product lines sold principally through mass distribution channels.

6. Class certification is an appropriate method for protecting the interests of the class members and resolving the common issues of fact and law arising out of the existence of the alleged violations of federal and state antitrust laws.

7. Rule 23(b)(3), Federal Rules of Civil Procedure, provides for class certification when there is an ascertainable class and a well-defined community of interest among class members.

8. The Court finds for the purposes of this settlement that: (i) the members of the class are so numerous that joinder would be impractical; (ii) there is a commonality of interests between the Plaintiffs and members of the class; (iii) there are questions of law and fact which are common to the class and those common questions predominate over individual questions; (iv) the Plaintiffs' claims are typical of the claims of the absent members of the class; and (v) Plaintiffs will fairly and adequately represent the interests of the absent members of the class.

9. The class meets the predominance and superiority requirements. Common issues of fact and law predominate, for the claims of members of the class all hinge on whether a conspiracy existed, and whether it resulted in supra-competitive prices for Department Store

1 Cosmetic Products. This class action is superior to individual actions because, given the
2 substantial costs associated with litigating an individual action and the relatively small amount of
3 recoverable damages per individual, the Settling Defendants would likely pay no damages absent
4 class treatment of the claims of the class members.

5 10. Accordingly, pursuant to Rule 23(e), Federal Rules of Civil Procedure, this Court
6 *finds that the applicable requirements of Rule 23, Federal Rules of Civil Procedure, have been*
7 satisfied with respect to this settlement and makes final its conditional certification of the
8 Settlement Class (excluding those persons listed in Exhibit 1) for settlement purposes only.

9 11. This Court hereby grants final approval to the settlement and finds that it is fair,
10 reasonable and adequate, and in the best interests of the class as a whole. [The objections which
11 have been filed have been considered by the Court and are overruled.] The proposed settlement
12 is the product of arm's-length, serious, informed and non-collusive negotiations between
13 experienced and knowledgeable counsel who have actively prosecuted and defended this
14 litigation for over four (4) years.

15 12. The stipulation regarding conduct relief, attached hereto as Exhibit 2 and
16 incorporated herein, is hereby approved and shall be filed with the clerk forthwith.

17 13. In addition to the effect of any final judgment entered in accordance with this
18 Agreement, upon this settlement becoming final, Settling Defendants and their present and
19 former parents, subsidiaries, divisions, affiliates, officers, directors, employees, agents and any
20 of their legal representatives (and the present and former parents, subsidiaries, divisions,
21 affiliates, officers, directors, employees, agents and legal representatives, and the predecessors,
22 heirs, executors, administrators, successors and assigns of each of the foregoing) shall be
23 released and forever discharged from all manner of claims, demands, actions, suits, causes of
24 action, whether class, individual or otherwise in nature, damages whenever incurred, liabilities of
25 any nature whatsoever, including costs, expenses, penalties and attorneys' fees, known or
26
27

1 unknown, suspected or unsuspected, in law or equity, that any member of the Settlement Class
2 who has not timely excluded herself/himself from this action (including any of their past, present
3 or future agents, legal representatives, trustees, parents, partners, estates, heirs, executors and
4 administrators), and whether or not they object to the settlement, ever had, now has, or hereafter
5 can, shall or may have, arising out of conduct during the Class Period by any Settling Defendant
6 concerning the pricing, marketing, distribution, promotion or advertising or sale of Department
7 Store Cosmetic Products, and which arise under any federal or state antitrust, unfair competition,
8 unfair practices, price discrimination, unitary pricing or trade practice law, or other similar law
9 or regulation or common law, including, without limitation, the Sherman Antitrust Act, 15
10 U.S.C. § 1, *et seq.*, the Cartwright Act, Cal. Bus. & Prof. Code § 16720, *et seq.*, the Unfair
11 Practices Act, Cal. Bus. & Prof. Code § 17000, *et seq.*, and the Unfair Competition Act, Cal.
12 Bus. & Prof. Code § 17200, *et seq.*, as well as any other federal or state law, statute or regulation
13 concerning any of the aforementioned subjects. Nothing in the Settlement Agreement or in this
14 Order is intended to release any other claim(s) that a Plaintiff or member of the Settlement Class
15 may have against one or more of the Settling Defendants. For example, a personal injury or a
16 product defect claim is not released. Nothing in the Settlement Agreement or in this Order is
17 intended to release any claim(s) that any member of the Settlement Class may have against any
18 other manufacturer or retailer of Department Store Cosmetic Products other than the Settling
19 Defendants. Each member of the Settlement Class (including his or her past, present or future
20 agents, legal representatives, trustees, parents, estates, heirs, executors and administrators)
21 hereby covenants and agrees that he or she shall not hereafter assert any claim, demand, action,
22 suit or cause of action, whether class or individual, against any Settling Defendant based, in
23 whole or in part, upon any released claim.

24 14. Plaintiffs and Settlement Class members who have not excluded themselves from
25 this litigation expressly waive the provisions of Section 1542 of the California Code of Civil
26
27

1 Procedure (and all other like provisions of law) to the full extent that these provisions may be
2 applicable to this release. California Code of Civil Procedure, Section 1542, provides:

3 A general release does not extend to claims which the creditor does
4 not know or suspect to exist in his favor at the time of executing
5 the release, which if known by him must have materially affected
6 his settlement with the debtor.

7 Each member of the Settlement Class may hereafter discover facts other than or different from
8 those which she or he knows or believes to be true with respect to the claims being released
9 pursuant to the provisions of Paragraph 13. Nevertheless, each member of the Settlement Class
10 hereby expressly waives and fully, finally and forever settles and releases, upon this settlement
11 becoming final, any known or unknown, suspected or unsuspected, contingent or noncontingent
12 claim with respect to the subject matter of the claims being released pursuant to the provisions of
13 Paragraph 13, whether or not concealed or hidden, without regard to the subsequent discovery or
14 existence of such different or additional facts.

15 15. Without affecting the finality of this Judgment, Final Order and Decree, the
16 parties, including the Settling Defendants and the members of the class, have submitted to the
17 exclusive and continuing jurisdiction of this Court, and this Court reserves exclusive and
18 continuing jurisdiction over the Settlement Agreement, including the administration and
19 consummation of the settlement.

20 16. The Settlement Agreement is expressly approved and incorporated herein by this
21 reference, and has the full force and effect of an order of this Court. The parties shall
22 consummate the Settlement Agreement according to its terms.

23 17. Under Rule 54, Federal Rules of Civil Procedure, the Court, in the interests of
24 justice, there being no just reason for delay, expressly directs the Clerk of the Court to enter this
25 Judgment, Final Order and Decree, and hereby decrees that upon entry it be deemed as a final
26 judgment and appealable with respect to all claims by members of the class against defendants
27
28

1 Boucheron (USA) Ltd., Chanel, Inc., Christian Dior Perfumes, Inc., Clarins U.S.A., Inc.,
2 Conopco, Inc., L'Oréal USA, Inc. (formerly known as Cosmair, Inc.), The Estée Lauder
3 Companies Inc., Guerlain, Inc., Parfums Givenchy, Inc., Dillard's, Inc., Federated Department
4 Stores, Inc., Gottschalks Inc., The May Department Stores Company, The Neiman Marcus
5 Group, Inc., Nordstrom, Inc., Saks Incorporated and Target Corporation, in accordance with the
6 terms of the Settlement Agreement.

7 18. This Court directs the Clerk of the Court to maintain the record of those members
8 of the Class who have timely excluded themselves from the Class for a period of five (5) years,
9 and to provide a certified copy of such records to the Settling Defendants, at their expense.

10 19. As to each Settling Defendant, the class actions are dismissed with prejudice and,
11 except as provided herein or in the Settlement Agreement, without costs.

12
13 Dated: _____, 2003

14 The Honorable Sandra Brown Armstrong
15 United States District Court Judge
16 United States District Court for the
17 Northern District of California
18 United States District Court Judge
19 United States District Court for the
20 Northern District of California